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J. B. POWELL, Publisher

N. J. ULBRIGHT, Assistant Editor and Business Manager

LIZEN SCHENG, Assistant Advertising Manager

CONTRIBUTING EDITORS

HOLLINGTON K. TONG, H. F. MACNAIR,
C. F. REMER, (America) PETER S. JOWE, (Hankow)
HIN WONG, (Canton) PEI-YU CHIEN,
CHAS. A. DAILEY (Peking) SHU-LUN PAN
JOHN R. MUIR (Chengtu) H. P. SHASTRI

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Contents

Editorial Paragraphs
Japan and the Extraterritorial Question..... 133
A Center of Chinese Culture in New York City..... 135
Special Articles
The Canton Coup Against the Bolsheviks.....
.....By Hin Wong 136
Japan's Policy in China.....By P. H. Lee 138
Bolshevism and its Influence in China.....
.....By Henry K. Kuo 140
The Story of China's "Four Libraries."".....
.....By John C. B. Kwei 142
International Trade Rivalries.....By Dr. Julius Klein 144
News from Central China..... 148
News from South China..... 152
Men and Events..... 154
New Books and Publications..... 155
The Week in the Far East..... 157
General News Summary..... 157
What Ships Carry between America and China..... v

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JAPAN AND THE EXTRATERRITORIAL QUESTION

MR. PUTNAM WEALE, of Peking, in his new book, "Why China Sees Red," (Macmillan and Company) devotes a chapter to Japanese policy toward China which is significant in that it shows quite clearly how Japan has changed the outward manifestations of her policy toward China, but still maintains the same objective as previously, otherwise the domination of the Asiatic Continent. "It is hard to believe," says Mr. Weale, "that a nation that precisely ten years ago made a most determined attempt to impose a military protectorate over all China with the Twenty-One Demands, when the rest of the world was engaged in war, can have become so meek without grave reasons having prompted such a course of action. . . . The Japanese know with the Chinese that Britain is the most rock-like of all the foreign Powers and that so long as her determination to stand firm in China remains unaffected, the world may rage and roar but nothing will be changed. In other words, Japan fully recognizes that Britain still possesses the premier position, which no one can take from her unless the ground is deliberately cut from under her feet. Inasmuch as Japanese trade and shipping aspires to that place, there is an obvious moral."

THE author then explains that as a result of the World War, Japan came within an ace of displacing Britain in China, but that since the war in spite of great industrial investment, she has fallen back roughly to the relative position as in 1914. Financially, Japan's policy is less good. Her so-called Colonial Banks, having seen their funds largely dissipated in vain attempt to quicken the extension throughout China, can no longer give anything like the financial support of which British banks are capable. As a result a new Policy of Asia for the Asiatics has displaced the old idea of domination; it is certain that cooperation with Chinese is what all schools of Japanese now desire, thus creating the belief that Japan is actually afraid of China, and that what has been attempted in the past has been due to the valour of ignorance. The center of Japanese interest in China has also shifted, we are told, and although Japanese industrial magnates now possess on Chinese soil scores of cotton-mills with millions of spindles employing hundreds of thousands of work-people "over whom reign overseers armed with pistols," this industrial activity is not a paramount consideration any more than is Japanese shipping, in spite of its great increase. The major interest is reserving the Chinese market—reserving it by a double method.

IN this fight to control the Chinese market Japan is first attempting to weaken and ultimately destroy the conditions which in the past have allowed Europe and America to play a great role; secondly by concentrating attention on Japanese exports, so that Chinese raw materials will tend to come back in payment. To attain these ends Japan is quite prepared, according to Mr. Weale, to "abandon extraterritoriality tomorrow," as she got on very well without it during the first twenty-five years of her modern intercourse with China, and only adopted this Western device because it ill suited her dignity in the days after 1895 to be classed by the Chinese in a different category from the rest of the Powers. Settlements or concessions in the treaty ports are "likewise not of prime importance to her," continues the author of "Why China Sees Red," who explains that what is really vital to Japan is the Chinese Tariff. "Her fate is bound up, as she sees it, in the Chinese Tariff. Before she concedes Chinese tariff autonomy she will force a dozen civil wars; for she believes that by the Chinese tariff she will ultimately live or die. It was a noticeable fact at the Washington Conference that it was the Japanese delegate who opposed tooth and nail even the moderate increase which was finally accepted by the assembled nations."

THE reason for Japanese apprehensions on the score of the Chinese tariff, in Mr. Weale's opinion, is that an adequate Chinese tariff, accompanied by a proper monetary system, would create a very different China and therefore a very different balance of power—hence nothing has arisen in the present crisis which has given Japan more alarm than the Chinese cry for fiscal autonomy. Since Japan's trade with China is essentially a commerce of cheap products, apart from the silk trade, the effect of a Chinese tariff wall on Japan's commerce cannot be estimated. Already Japan's trade expansion program is handicapped by lack of capital and inferior standards and technical knowledge of her people as compared with the nations of the West. Japan's greatly increased shipping returns, declares the author, do not reveal the percentage of old tonnage which is really unprofitable, but which is retained because she does not dare scrap it. Neither are there any statistics available which show how Japanese agriculture and industries are penalized in order to keep her ships on the seas. Japan's trade with China suffers because of the disparity between the native civilization of the nation and the civilization borrowed from abroad. The result is that efficiency goes by the board in the constant struggle to maintain what is exotic and not indigenous to the land. This is shown in other industries than shipping where the government is constantly being called upon to shoulder the burden of financing and keeping alive private efforts which imperialist policy dictates should be maintained. "Thus in the China trade," says the author, "the Japanese often build up a market for a particular product, only to find that their customers in China have imported superior machinery and are turning out a better article themselves. Thus a constant necessity exists for bringing about artificial improvements by government help. Japan which is half a generation ahead of China in the organization of her credit, knows that her advantage is only temporary and must ultimately disappear unless this artificial support is available. What has set in motion these new forces is imported machinery, an alien thing; and with the struggle going on throughout the world to sell at all costs factory surplus, the China coast has become dotted with European and American agents who almost force on Chinese buyers later inventions than Japan has brought."

IT is because Japan foresees these things more clearly than other nations, that Japan has displayed extraordinary leniency toward China in the recent Sino-foreign crisis, doing everything possible to conciliate the Chinese and "make them believe that nothing has arisen which cannot be easily adjusted—that in fact there is nothing more than a surface difference between the ideas of the two nations, and no difference at all between them on the subject of the abuses and disabilities which the British opening of China in the nineteenth century has imposed.—The vital problem for Japan is the empire of raw materials inside the China coast fringe: everything else must be subordinated to this primary consideration. In Manchuria and border Mongolia that offer her the easiest field; and therefore he who wishes to understand the essence of Japanese policy must carefully watch every development in this zone. Connecting as it does with Korea, it is already a source of such great wealth that the trade of the region is one-fifth of the trade of all China. Very important developments have quite recently taken place, which have escaped world notice because of more dramatic happenings. Fundamentally the most far-reaching thing has been the new strategic railway Japan is constructing, nominally on account of the Manchurian Government, from Taoanfu to Tsitsihar, which can cut off Harbin and the Russian Far East from the Communist metropolis..... which will provide direct railway communication between Fusan, the southern terminus of the Japanese continental railway system, and the heart of Heilungkiang province 1,600 miles away; and it will be possible to put an army in the rear of Russian Pacific communications almost overnight, thus giving Japanese diplomacy a weapon of priceless value. Sooner or later it will tempt Japan to complete the work which was only partially accomplished by the war of 1904-5, that is, to bring the whole of Manchuria, together with its communications, under her sway; for the possible conversion of Northern Manchuria into a Soviet land makes it necessary for Japan to resume her northern march.

"THUS," contends Mr. Weale, "it can be accepted as a fact that Japanese policy has not radically changed, but is now more carefully masked to meet the new conditions..... The circumstances, indeed, are more favorable than they have ever been before for steady secret progress beneath the cover of an official program; for in both Peking and Mukden pro-Japanese groups are the Government groups, the alliance which installed the Provisional Government (Tuan Chi-jui Government) after the *coup d'etat* being primarily an alliance of elements assisted in the past by Japanese and necessarily favorable to them. Japan's principal concern is to keep the Mukden and Peking groups separate so that each will require her services, since a strong and united China is the counterpart of a dead or dying Japan."

THE Peking author then makes the startling statement that in order to further consolidate her relations with China, and her interests in China, and for the purpose of ham-stringing the Americans and Europeans, "Japan is preparing to make concessions where it will least inconvenience

her and at the same time most inconvenience others." This great concession which Japan is preparing to relinquish, should it be necessary, is, in Mr. Weal's opinion, *Extraterritoriality*. British investments in China, according to Mr. Weale, amount to $2,000,000,000 silver, or roughly one billion dollars in American gold currency. This interest "would suffer so tremendously from any tampering with the judicial system so painfully built up during the past that it would ruin Britain in China and greviously damage half the Chinese of substance at the treaty ports. For extraterritoriality is as precious to the land and property register at the Consulates, and to the limited companies, as it is for its guarantee of personal safety and speedy trial in open court." Japanese investments, however, would not suffer by an abrogation of extraterritoriality, in his opinion, because Japan's one big investment—the South Manchuria Railway Company and the railway towns within its zone—is protected by special capitulations and by troops. In consequence of Japan's peculiarly favorable position, Mr. Weals hazards the opinion that Japan may, regardless of the action of the International Commission of Jurists which is now investigating the subject of Extraterritoriality as provided by the Washington Conference, act on her own initiative, no matter what the others may do "so that the Chinese people may be encouraged to believe in their (the Japanese) brotherly love."

A CENTER OF CHINESE CULTURE IN NEW YORK CITY

OF more than ordinary interest was the announcement made in February of the appointment of Professor Paul Pelliot to the Dean Lung Chair of Chinese in Columbia University in New York City. Until his acceptance of this appointment M. Pelliot for many years held the Chair of language, history and archeology of Central Asia in the College de France in Paris. Since the lamented deaths of M. Henri Cordier and Eduard Chavannes, Professor Pelliot ranks first among French sinological scholars, and is one of half-a-dozen leading experts in the world on Far Eastern and Central Asiatic cultures.

AT Columbia M. Pelliot succeeds the late Professor T. F. Carter whose remarkably interesting and valuable work entitled *The Invention of Printing in China and Its Spread Westward* was reviewed in our columns a few months ago. Professor Carter was an American scholar who had resided in the interior of China for many years during which he had pursued studies into the early relations of China with the West of Asia and with Europe. His study of the early history of printing and of its spread westward dealt with far more than the mere origin and technique of that art; indeed it dealt with the whole field of cultural relations between East and West. The volume is one of the most valuable that has appeared in the field of Oriental culture for years, and it was a matter for deep regret that its author could not have lived to see it off the press and continue his researches in so important a field.

PROFESSOR Carter's predecessor was professor Friedrich Hirth, a thorough German scholar who was from 1870 to 1897 in the Chinese Customs Service, and from 1878 to 1888 stationed in Shanghai where for some years he was President of the North China Branch of the Royal Asiatic Society. He is the author of several books on Chinese art, history, and documentary style and he was the first occupant of the Chair of Chinese at Columbia University; he is now Emeritus Professor of China in that institution. It is not only a matter of congratulation to the institution concerned that two such brilliant scholars as Hirth and Carter should be succeeded by one equally qualified to do scholarly work, but it should be a matter for pride in both China and the United States that a man of the outlook upon the field of international cultures and relationship should at such a moment as the present be installed in so commanding a position. From an institution enjoying the financial support of Columbia University and having the scholarship of M. Pelliot much may be expected.

THE world has during the past few years heard so much of the romantic discovery of the tomb of Tut-ankh-Amen in Egypt that it has almost forgotten that in 1907 a discovery of much greater actual significance was made at the Cave of the Thousand Buddhas at Tun-huang in Central Asia as a result of the archeological labors of M. Pelliot and Sir Aurel Stein. The tomb of Tut-ankh-Amen has furniture and other golden treasures of rare interest, but thus far has not contributed to a revolution in our knowledge of ancient Egypt. In or near the Cave of the Thousand Buddhas, however, were discovered the world's very oldest printed books as well as valable Manuscripts, some of which dated back as far as B. C. 98. In the Cave itself a sealed chamber was found which contained more than ten thousand manuscripts between one thousand and fifteen hundred years old in the Chinese, Thibetan, Sogdian, Sanskrit and Khotanese languages. The researches of Pelliot and Stein also revealed other relics including paintings, embroideries, coins and statues indicating clearly a mixture of Chinese, Hellenic, Persian, Syrian and Indian civilizations. The significance of these discoveries can hardly be over estimated, and many more discoveries must be made and intervening years pass before a true evaluation of their meaning in the early relations of east and west can take place.

DURING the early months of 1924 Professor Pelliot was engaged in lecturing in the United States on "cultural and religious contacts and exchanges in Central Asia. A comment in *Asia* magazine at the time of M. Pelliot's lectures may be taken as indicating the motivation of his work at Columbia now that he is to reside in America permanently: "M. Pelliot believes that, without an understanding of the Chinese civilization of the past, the problems involved in the meeting of East and West today cannot be successfully solved. He would like to see the United States, with its vital interest in the future of the Pacific, develop a group of scholars able to contribute as much to archeological study of China and eastern Asia as Americans have already contributed to scholarly investigation in Egypt, Syria and other parts of western Asia." That this is a correct summary of the aims of the new Dean Lung Professor of Chinese at Columbia is shown by the statement made by the university in announcing his appointment. It was specifically stated that M. Pelliot will work "to link the East and West in a union of spiritual understanding essential to the unity of civilization",

WHAT a task this—and how fortunate that such a scholar and explorer is at hand to attempt its solution! With all our vaunted "open-mindedness" and devotion to scientific knowledge, and our insistence that we shall be given "the truth, the whole truth, and nothing but the truth", we of the west are still only slightly more advanced than China's rulers who in times past—and present—have grandly announced their self-sufficiency and lack of need of commodities or ideas from the barbarian outer kingdoms. The West has "opened" the East in modern times and insisted upon the essential unity of the world and its culture; it has insisted that China and Japan shall learn the truth which shall make them free. Some of the results of this "opening" of the East by the West has undeniably had excellent results, but other results lead one to the conclusion that either the "truth" has not been learned in spite of all that the West can do—or (perish the thought!) that the "truth" has not set the East, or the West, free.

THE Chinese of an earlier day insisted that their's was the Middle Kingdom, the source of knowledge and culture around which revolved in ignorance the outer kingdoms of barbarian darkness. Modern Westerners are not so crude as this in the matter of map-making, but in more subtle ways many of them are little more advanced. For example, we find a well known western authority on municipal government blandly ignoring the fact that cities in the East were developed centuries earlier than any in Europe, and assuming that the student of municipal government has nothing to learn from institutions east of Suez. Indian, Persian, Chinese, and Japanese political concepts and philosophy are generally likewise ignored and little which preceded Hellas, or which developed east of that fair country, is conisdered worthy of discussion. When we study printing we go back to Gutenberg—and stop. An architectural genius such as Ralph Adams Cram was astonished at the beauty and utility of the architecture of Japan. To most Westerners we do not, of course, refer to art critics—Far Eastern art is not considered as comparable with that of the West because it is lacking in "perspective" and is so *quaint* and *curious*. Students of historiography begin their studies with the Greek historians and travel Westward ignoring the very existence of such historiographers as Sze-ma T'an and Sze-ma Ts'ien.

IN recent years only have Westerners come to the conclusion that their countries and countrymen have anything to learn from the East of the present day. If any one disbelieves this statement let him read the works published concerning the East during the eighteenth and nineteenth centuries. At present there is among women's clubs a good deal of interest in the cultures of the East, but a good deal of this is merely faddish and the style of a season. The thought of the West is almost exclusively Europo-centric; out of a thousand possible illustrations of this we may point to the League of Nations where military power and prestige *among the nations of Europe*—with the one exception of Japan—is the only thing that counts when it comes to a real voice in settling world affairs. Populations, natural resources and culture of nations outside of Europe are practically ignored as China's delegate to the Assembly recently pointed out in the squabble over the seating of Germany in the Council of the League. Europo-centric thought is as *provincial* in essence as is Asia-centric thought or Sino-centric thought for which the Asiatics have so often been scored. If M. Pelliot from his new point of vantage at Columbia can do anything to bring about a really Catholic type of thought in approaching the problems of the universe he will serve both East and West well.

The Canton Coup Against the Bolsheviks

BY HIN WONG

THE sudden turn of General Chiang Kai-shek, military dictator of the Kuomintang in Canton, from an ultra-Red to an anti-Red as shown by his latest coup d'etat in the Southern Capital, while welcomed by many Southern Chinese, may still lead to further complications in the Canton political muddle. The result of the coup, March 19-22, has led to a readjustment of political and military spheres of influence among the several factions of the Kuomintang in Canton, and General Chiang has now become an object of attack by the Reds, while Mr. Wang Ching-wei, nominally still serving as Chairman of the Kuomintang Left Wing, is now put in the embarrassing position of sponsoring the Bolshevistic leaders at large in Kwangtung.

General Chiang Kai-shek has been forced to betray his former Russian masters by intimidating the group of officers and cadets of the Central School of Politico-Military Science at Whampoa. The outside influences forceing General Chiang to undertake this action as requested by the non-Bolshevists within his school, the Whampoa Cadets over whom he is the Commandant, were internal disaffection within the Kuomingtang Army, growing strength on the part of the Right or anti-Red Wing of the Kuomintang now holding a conference in Shanghai, the organized press attack on Bolshevism launched throughout China, and the adverse turn of fortune in the Kuominchun Army of General Feng Yu-hsiang, the only powerful body outside Canton still supporting the Soviet Mission of terror and destruction in China.

Origin of Opposition Last February

Since the practical exile of Mr. Hu Han-min, Kuomintang Minister of Foreign Affairs, to Moscow and the deportation of General Hsu Chung-chi, formerly commander of the Canton Army, all at the suggestion of General Chiang and M. Borodin, Soviet High Commissioner to South China and chief political adviser to the Kuomintang, General Chiang Kai-shek has always been suspected and feared by his fellow militarists other mititarists like Tan Yen-kai, Chu Pei-teh, Li Tsai-sum, Ching Chiem, and other merceanary non-Cantonese have been training armies and amassing funds at the expenses of the people of Kwangtung for future civil wars to satisfy their selfish ambitions in Hunan, Yunnan, Kwangsi, Kiangsi, and other provinces. The circulars questioning the security of Kuomintang Centeral Bank notes and personally attacking General Chiang and the Reds in general, issued in the name of the 4th Army on February first last, was in realty the beginning of an organized opposition to Bolshevism in Canton. This had the secret support of more powers than those represented by the Society to Study Sun Wenism.

The Right or anti-Red Wing of the Kuomintang, with head-quarters at Peking and Shanghai, while officially denounced by the Left of Red Wing in Canton, has no small backing on the part of the less radical Kuomintangites in the Southern Capital. This has been felt by General Chiang and other comrades. They have been warned that Mr. Wang Ching-wei, Chairman of the Left, or Red, Wing, will be expelled from the Kuomintang (of course, on paper only at present) and that Generals Tan, Chu, Li and other mercenary commanders will be instructed to take joint action against Chiang, should the letter persist in his continuation at the service of the Soviet Mission and the Bolshevists.

Anti-Red press attacks have been unusually strong throughout China lately and, even in Canton, despite Kuomintang censorship of mails, telegrams, and the press writers have been able to indict Red lawlessness by exposing corruptions connected with official departments controlled by Reds entirely.

In the latest coup in Canton, nearly 80 ultra-Reds and several Russians were arrested, and they are now being gradually released on condition that they will leave Canton at the earliest date.

On March 25, General Rogachoff, leading Russian military adviser to the Kuomintang and officer in charge of the Soviet Mission in Canton during the absence of M. Borodin departed for North China with several other comrades, presumably on the advice of the Canton Government.

Through the kindness of Mrs. Wang Ching-wei and Mrs. Liao Chung-hoi, leaders of the Women's Division of the Kuomintang, a number of former Red "lights" were able to take refuge in their residences and escaped the rage of the newly turned "whites" during the reaction against Bolshevism.

Since the coup, Mr. Wang Ching-wei, Chairman of the Kuomintang, has been given sick leave; and his resignation is being considered. General Chiang has suggested that such a step is uncalled for at the present moment. Probably Mr. Wang will remain in office until the return from Moscow of Mr. Hu Han-min, leader of a strong faction of Kuomintang in Canton.

Referring to the coup which General Chiang Kai-shek had effected without authorities either from the Kuomintang Political Commission or from the Central Executive Committee, General Chiang on March 25 reported to the Government his action, asking for punishment for himself for having undertaken so important a work without order.

General Chiang Kai-shek's petition to the Military Council of the Kuomintang, in his capacity of Commandant of the Central School of Politico-Military Science, was most unconvincing.

Real Cause of Chiang's *Coup*

The official statement of General Chiang Kai-shek did not give the true facts of the case. The real cause leading to his *coup* of March 20 was that a large number of militarists in Canton have been and are still antagonistic toward him on account of their inability to fathom the real aim behind his actions. Being afraid of him his personal opponents have been coupling his name with Bolshevism. General Chiang's personal connections on the Soviet are not known, but by allying himself with them he has been able to receive all military supplies and advice from the Soviet Mission which have made him and his cadet corps famous not only in Kwangtung and South China but also abroad. Therefore General Chiang, by the *coup* of March 20th, has attempted to free himself from suspicion on the part of his less influential colleagues and from the Russians from whom he had reaped all the benefits possible.

The question now remains, will the Bolshevists yield and will General Chiang Kai-shek's seemingly penitent act be accepted at par by all his no small number of enemies both personal and political?

It cannot be dismissed that the Bolshevists, since the spring of 1923 and their formal admission to the Kuomintang in Canton, have converted a large number of young men and not a few young women in Kwangtung; and many labor unions, peasants leagues, peasants corps (armed farmers volunteers) student unions, and several military units are dominated by Bolshevistic agents. The eighty or more Red leaders so far arrested were only those who happened to be in office in the Government or in command of troops or marines at the time; but the greatest menace is those directing the bureaus of propaganda and giving periodical lectures on the streets and market places throughout the Province. Every factory and large shop has one or more paid agents of the Soviet Mission, like every army or naval unit has its *Tang Tai Piu*, or Party Representative regularly commissioned by the Kuomintang Central Executive Committee in Canton.

As a revenge for their being cheated. it has been freely intimated that the Bolshevists will not easily forgive General Chiang, and his re-inforcing his body-guard lately was not without meaning. At the same time, the Bolshevists are now inciting the pickets of the Canton Strike Committee enforcing the "anti-imperialist" boycott to resist the expected disbandment. The Kuomintang Left, hitherto known as the Red, Wing in Canton, having found that they cannot now have their once friends—the Bolshevists—and the "imperialists," a term they used to address the British interests in Hongkong when they were backed by the Russians, come against them at the same time, are now moving towards a peaceful settlement with Hongkong regarding the strike and boycott which have been preventing trade and traffic between the two ports since June last. The Bolshevists behind the Strike Committee are encouraging oppositson towards settlement without exceptionally favorable terms. Whether or not the pickets will allow themselves to be mustered out of service without a "mutiny" likewise cannot now be said. In the meantime, however, the Kuomintang leaders still controlling things in Canton have already taken the more vicious labor agitators into custody. The pickets, on the other hand, have been exceptionally active since it became known that the Kuomintang might "double cross" them. The Chinshan-Macao traffic, relaxed for awhile early in March, was again forbidden the last part of the month, and in Canton Harbor two "white" Russians, manning an American launch suspected of running through the picket blockade were wounded by armed patrol-boats enforcing the boycott of British steamers. There has been a report current for the last few days that the Bolshevists would stage a general strike on the part of Canton workers as a protest of the arrest of Strike Committee leaders accused of anti-Chiang Kai-shek attempts but really as a protest agaiest Canton-Hongkong Government settlement of the boycott without reference to the Strike Committee except in a haphazard way.

In the meantime, to prevent any formation of a "labor government" as promised by the Bolshevists to some workers, the Canton Police have been given order to disarm all pickets of labor unions, except those of the Strike Committee, who are still being officially recognized by the Kuomintang.

The replace the influential labor leaders and agitators now being detained by the military authorities in connection with the recent *coup*, the Kuomintang Left Wing has unofficially nominated candidates selected at the suggestion of pro-Chiang Kai-shek followers, and upon the reorganization of the Strike Committee Executives, they will be mostly pro-Government and subject to direction and order of the administration.

Canton will not have genuine peace of some time, and the temporary exit of the Bolshevists has only added a new faction to the ever struggling Kuomintang, whose exclusive one party policy without other participants in politics for everybody entitled to in a common Republic has been responsible for much of the suffering and turmoil in the country. The so-called Right Wing of the Kuomintang now having followers in Peking and Shanghai, the "Elders" and the "Prince" cliques within the Left Wing of the same party now in Canton, the Young Men's Military Association and the Society to Study Sun Wenism, two groups of armed men within the Kuomintang Army, all have their own petty leaders and ideas within the same party, and these alone are sufficient to perpetuate the guerilla warfare in this Province, not mentioning the scores of bandit and pirate bands now taking advantage of the misgovernment and inefficiency on the part of carpetbaggers made up of former laundrymen, seamen, cooks, and others commissioned by the Kuomintang in Canton to rule the districts of Kwangtung.

Workers in Canton and districts, once oppressed are now encouraged by the Bolshevists to agitate as their tools, often forget themselves, and they add another problem to be solved

Failure To Agree Chief Trouble

After all, it is not so much the number of cliques in Canton as the failure to agree and the absence of a channel for all to legitimately get hold of the government that is causing all the trouble in Canton and other parts of China, and arrangements for election of officials and legislative assemblies should partly solve the difficulty, as under the republican form of government, some majority party should rule until periodically disponsed of or continued. In certain respects, the awakening of the farmers and the workers and their leagues and unions are steps towards people rule.

No peace and co-operation, however, will be possible until the Cantonese are able to remove all mercenary troops from their soil and disband the nine or ten army corps for which the present regime has to raise several millions of dollars monthly for the upkeep necessitating the creation of all sorts of new taxes, doubling and tripling old rates, and making this or that trade a monopoly until all the merchants are disgusted with the situation. Practically every corps and division is commanded by non-Cantonese whose sole purpose in Canton is pecuniary or political in motive with the hope of some day carrying away all arms and equipments with them back to their native provinces for further internal trouble for their own selfish gain. Kwangtung, notwithstanding the possession of the largest army in China, if not in the World, today has more bandits and pirates than any other one province within the Republic. The Kuomintang, or rather the Left Wing, in Canton, is attempting many reforms; but with all cash receipts going to support of militarism and military parasites most of the reforms announced have been on paper only.

What a difference in the situation it will mean for Canton, when the admirable system of merchants volunteers once so well organized for self-defence throughout 138 towns and cities in the province; when all the farmers leagues in the 37 or more of the 96 districts within Kwangtung with a membership of 200,000; when the hundreds of labor unions, trade guilds, merchants associations, all student organizations, will all co-operate with one another for a greater and more peaceful Kwangtung and socialize the

bandits and pirates instead of killing them for entering into an occupation similar to that of the monopolized traders and corrupt officials and powerful militarists. To buy kerosene oils from Hongkong at $4.50 a case and sell it at $12.50 in Canton under the excuse of government monopoly is robbery pure and simple; and the drop of Waichow sugar export from 958,345 to 733,061 piculs last year because of Kuomintang high taxation is just as much a loss to the farmers as the capturing of their farm buffaloes by bandits from nearby forests.

Having found the tremendous loss possible through fratricidal warfare and factional politics and the bad policy of being tools of one foreign people against another, many people in Canton may soon realize the blessing for all brothers to live in unity.

Kwangtung is the only Province in China where the students, farmers workers, and merchants have organization and machinery for the calling out easily of 15,000 to 150,000 armed volunteers within a short time, and their united effort would have no difficulty in overcoming the militarists and clique politicians who are playing one class against another so as to create a condition in which they and the bandits and pirates may be benefitted at the expenses of the people.

Canton, April 1, 1926.

Tonnage Handled at Nineteen Leading U. S. Ports

The following table contains a list of Nineteen leading American ports handling in excess of 1,000,000 tons, during the year, 1925 together with the tonnage total of each:

	Tons.
New York, N. Y.	22,222,965
New Orleans, La	9,410,331
Philadelphia, Pa.	5,736,805
Baltimore, Md.	5,485,071
Los Angeles, Cal.	3,751,700
Buffalo, N. Y.	3,384,339
Galveston, Tex.	3,143,701
Norfolk, Va.	2,912,890
San Francisco, Cal.	2,681,199
Boston, Mass.	2,302,803
Houston, Tex.	2,198,504
Port Arthur, Tex.	1,804,128
Newport News, Va.	1,664,427
Baton Rouge, La.	1,186,494
Mobile, Ala.	1,090,489
Perth Amboy, N. J.	1,041,043
Cleveland, O.	1,041,016
Seattle, Wash.	1,036,739
Portland, Or.	1,009,443

Yokohama Silk Men Reorganize On Firmer Basis

Eight large Japanese silk exporters of Yokohama, headed by the Mitsui Bussan Kaisha, have decided to reorganize the present Yokohama Raw Silk Export Society on a more extensive and more firm basis.

These silk exporters used to act in unison with silk wholesale merchants in Yokohama in the Silk Traders' Association before the earthquake and fire of 1923, but the interest, of sellers and buyers often conflicted. As a result, the buyers withdrew from the sellers after the quake, and organized the Yokohama Raw Silk Export Society. They found that the present organization is not comprehensive enough to carry out their objects and have decided to reorganize on a new basis, renaming the group the Raw Silk Exporters' Guild.

These export merchants include the Mitsui Bussan Kaisha, the Japan Raw Cotton Company, the Hara Exporting Department, the Gosho Kabuehiki Kaisha, the Japan Raw Silk Company, the Asahi Silk Company and the Suzuki Shoten. The development of the raw silk trade, the extension of Japan's raw silk markets abroad the investigation of the law or regulation concerning raw silk and the revision or abolition of certain regulations, the presentation of opinions regarding the raw silk industry to the government, and many other necessary items are included into the objects of the guild.

As a guarantee of good faith, each member is to deposit Y10,000 with the guild. These eight large silk exporters control the market in Yokohama, and their opinions carry much weight in the settlement of market conditions.

Japan's Policy In China

BY P. H. LEE

THE foreign relations of China are at present fraught with great delicacy. When the so-called Opium War was fought the real issue at stake, as historians now see it, was the demand for equal treatment which China, on account of her temperment then, was repugnant to give to foreign countries. Since then, we have a reverse of the shield, and it has been the Powers who are dictating terms to China. But the Chinese people are now sufficiently awakened to demand for themselves the enforcement of the principle of reciprocity; hence, the cry for the revision of unilateral treaties. Though Japan did not join in the game of browbeating China until 1895, her influence since has been predominantly felt; and perhaps that predominance is going to loom larger and larger until Tokyo has the last word on anything concerning Sino-foreign relations.

There is always danger af placing too much importance upon the public utterancec of diplomats in regard to the foreign policy of their governments especially when the country being referred to is China. The British Commons has to make a special study of Chinese situations—which it is now beginning to do—before it ventures any definite indicatiop of the lines which Sino-British relations are going to take in the immediate future. The part of President Coolidge's annual message before the American Congress was regarded, whether rightly or wrongly, by a news agency as of so littte significance as to warrant its comission. But the importance of the announcements by the Foreign Office in Tokyo can hardly be over-stressed. It is always on the alert about the trend of affairs in this country, and whatever it says means something, though the meaning is often carefully and adroitly covered up.

A suffcient clue to the policy of Japan towards China is found in the speeches delivered by Viscount Kato and Baron Shedehira on the opening session of the Japanese Diet. "Japanese Government while strictly adhering to the principle of absolute non-interference in China's domestic affairs," said the late Premier, "has had recourses to all legitimate means for the preservation of Japan's rights and interests in China." What Baron Shedehira states amounts to the same thing. "It was announced in the last session of the Diet that the policy we had in view was (1) absolute non-interference in China's domestic affairs and (2) the safeguarding of Japan's rights and interests by all legitimate means at her disposal." All that should engage our attention is that Japan is going to preserve her rights and interests which she has acquired in China, and the rest need not be taken seriously; for it either represents what Japan does not mean at all or, even, the opposite of what she has in view.

Japan's Diplomats Rank With Russia's

Japanese diplomats justly rank with those of Russia, at least, so far as their art of political chicanery is concerned. Any observer of Far Eastern cannot fail to notice how many times has Japan, by the employment of a short and unimposing phrase, brought the world to task, secured the recognition of other Powers to a state of affairs which they would otherwise hesitate to endorse, and place on a secure basis rights and interests that are founded on the most questionable claims.

The first little phrase that did Japan a world of good is a combination of two words, *status quo*. This is responsible for her position in Manchuria which has become a part of her dominion all but in name. When Japan came on the top in the Russio-Japanese War, and the Portsmouth Treaty was concluded through the good office of President Roosevelt, probably she entertained no far-reaching designs on Manchuria. That is the reason why she suffered herself to be bound by the stipulations guaranteeing the sovereignty and administrative integrity of Manchuria and maintaining the principle of the Open Door Policy. But a nation like Japan would not be slow to realize her chances, and it is not uufair to say that what she has done since that realization is in direct conflict with the Portsmouth Treaty. By the later agreements with China she sustained her claims to the "absolute and exclusive right of administration" in the territories attached to the railway and wrung from her the pledge not to construct any railway if the neighborhood of or paralell to the South Manchurian Line, or any branch which might be prejudicial to its interests—an undertaking that has, in effect, closed the door in Manchuria. But the wonder is how did Japan succeed to accomplish this under the nose of other Powers. It is by the all-enveloping phrase of *status quo*. For in the Russo-Japanese Alliance of 1907 and the Root-Takahara Agreement of 1908 the provisions for the maintenance of "the principle of equal opportunity for commerce and industry in China" and of the

independence and integrity were placed side by side with another one which recognized the "existing status quo" in the Pacific. What could the Powers say when they began to learn that the "existing status quo" was anything but conducive to the doctrine of the "Open Door" or the sovereignty of China?

Again, in the Langing-Ishii Aggreement of 1917, Japan inserted, though not with equal success, two little words, "special interests." which were calculated to connote what was embodied in the notorious Twenty-one Demands. Japan's application of this phrase "special interests", if uncontested, would surely support her claim to the preferential and exclusive right of economic exploitation in Manchuria and Mongolia and politically put China in the position as her dependency.

To bring it down to date, Japan has now declared that she is going to preserve her rights and interests in China by all legitimate means at her disposal. On the face of it, these words are quite modest and may even be highly eulogized. What has the world to grumble when Japan has, after decades of intrigue, threat, and sheer diplomatic ruse in her dealings with China, chosen to come back to the path of legitimacy? But as one ponders over the words of Viscount Kato and Baron Shedehira in the light of the present circumstances, he will begin to see the other side of the shield.

No one will deny that Japan's rights and interests are now predominant in this part of the world. She outranks other nations in the number of her nationals resident in China; she contests with Great Britain the title of the country whose trade with the Chinese people predominates; and she owns most of the foreign money invested in China. Despite the fact that Japan has acquired her rights and interests in ways that are far from being legitimate, the world has now come to look upon them as *fait accompli* and wink her eyes when Japan cites then as a justification of her high-handed measures.

A New Status for Foreigners

Turning to China, she is now in the throes of nationalism. The first brunt of this new spirit will naturally be born by the status of aliens in this country which has been adjusted by treaties concluded nearly a century ago when China little understood the *quid pro quo* to which she committed herself. The legitimate aspirations of the Chinese people have eventually met with the approval of other Powers who are now meeting them half-way. To be sure, this does not mean that when the treaties are revised foreigners will have to pack up their baggage and leave, though their rights and interests will have to be placed upon a materially new basis. Especially Japan, on account of the predominance of her rights and interests in China and, what is more significant, of the odd ways by which she has secured them, will have to take the lead in meeting the wishes of the Chinese nation.

But Japan says that she is bent on preserving her rights and interests in China by all legitimate means at her disposal. One may ask himself: Where does legitimacy come from? It is either by virtue of the existing treaties or with recourse to the conclusion of new ones in the future. Therefore, when the hearts of the Chinese people are burning with the desire for an readjustment of foreign rights and interests, Japan will do either of the two things. First, she may turn to China and say, provided she has the necessary backing of other Powers, "Now, look here, isn't this and that in black and white. Of course, you do not mean to follow the example of Soviet Russia and discard all existing treaties at a single whoop. All treaty revisions must come step by step, and we can't afford to go beyond a certain point that is inimical to our interests." The trouble is that the interests of Japan are too easily touched that her step is far behind our time. Or, on seeing other Powers yield in the fair contestations of China, Japan will strike a different path by herself. There are always her "special interests" and intimate relations with China to justify her seeking a preferential treatment which will render her rights and interests practially intact.

After the speeches of Viscount Kato and Baron Shedehira it has generally been conceived that after all Japan is not as aggressive as she has been painted to be. She too has chosen to deal with China by legitimate means. But these two words "legitimate means" are not so simple as they are at first sight. Japan will be still having her legitimate means if she will be the last one in conceding, or even openly flouts, the present request of the Chinese nation. But this should be no wonder. For in their relations with China, Tokyo undertakes to plan ahead for her traders, big and small, ranging from a street peddler to an industrial magnate; Downing Street has more often than not bowed to the counsels of Lombard Street; and Washington, failing her historic attempt to keep the door of strictly open, loathes to see her business in any way handicapped. And there is poor China!

Shanghai, April 1, 1926.

Bolshevism and Its Influence in China

BY HENRY K. KUO

(I) Bolshevism and Socialism.

We have heard in this part of the world a great many people talk about Bolshevism. But what is Bolshevism? What does this word connote to us after all? To this seemingly simple question I dare not say all of those who use this word as freely as they use A, B, C, in their talk or discussion can give a satisfactory or even a correct answer. The Russian Bolsheviks hold that Bolshevism is Socialism; Bolsheviks are followers of Karl Marx. In order to understand what Bolshevism is we must comprehend the theory of Marxian Socialism.

The fundamental principle laid down by Karl Marx is what he termed "The materialist conception of history" or "Economic determinism". The explanation of this principle as stated by Engel was:" In every historical epoch, the prevailing mode of economic production and exchange, and the social organization necessarily following from it, form the basis upon which is built up, and from which alone can be explained, the political and intellectual history of that epoch." In other words, all the developments, political, social, and mental, of our history can only be explained with reference to the methods of industrial production and distribution.

Two other principal doctrines of Marx are:

1. The theory of class war. It is this: "The whole history of mankind has been the history of class struggle, contests between exploiting and exlpoited, ruling and oppressed classes, the history of these class struggles form a series of evolution in which now-a-days, a stage has been reached where the exploited and oppressed class—the proletariat—can not attain its emancipation from the sway of the exploiting and ruling class—the bourgeoisie—without at the same time, and once for all, emancipating society at large from all exploitation, oppression, class distinctions and class struggles."

2. The theory of surplus value—The gist of this theory is that "Labor is paid for, but not paid." It simply means that though all wealth is produced by labor—Marx maintained that labor was the only factor of production of wealth—yet labor gets only a small portion from the wealth it produced. The remaining great portion is called surplus value, the accumulation of which forms capital. The capital thus accumulated continually seeks further accumulation of surplus value through the exploitation of labor. As this process goes on the capitalistic system is formed. The result of this system will be:

a. Progressive pauperization. The smaller the share of the worker in the value produced by him, the greater becomes the surplus appropriated by capital. Thus wages will be gradually reduced to the level of bare subsistence, and proverty is increasing unceasingly.

b. Concentration of capital. As capital is derived from exploitation, it operates against both the small capitalists and workers. Finally capital is concentrated in a few hands.

c. Collapse and crises. The severe competition among the capitalists results in a crisis. Again, the capital is more concentrated in the hands of still fewer capitalists. The final goal of this procees will be that the masses of the people are absorbed into the ranks of the proletariat. When this stage is arrived at "a newer order is maturing which will be established by the 'proletarian Revolution'". The fruit of this revolution is the "Socialistic Commonwealth." In this period the socialistic scheme of production is: from each according to his ability, to each according to his needs. Now there is no more capitalist, no more exploitation of workers. An absolute democracy is in industry as well as in government.

In the "Communist Manifesto" ten measurers have been suggested to attain the common wealth. They are: (1) expropriation of landed property, and application of rent to State expenditure. (2) heavy progressive taxation, (3) abolition of inheritance, (4) confiscation of the property of all emigrants and rebels, (5) centralization of credit in the hands of the State, (6) centralization of means of transport in the hands of the State, (7) increase of national factories, instruments of production, (8) compulsory obligation of labor upon all, (9) joint prosecution of agriculture and manufacture, (10) public and gratuitous education for all children.

(II) The Present Soviet Russia.

After having a brief survey of Marxian Socialism we now turn to the Bolshevik system in present Russia. The Russia Bolsheviks as I have said hold that they are true socialists, they are followers of Karl Marx. But have they told us a whole truth? In the opinion of John Spargo, a great American Socialist, they are not exactly so. The present Soviet system differs from Marxian Socialism chiefly in the fact that in present Russia there is no democracy in both industry and government. What the Russian Reds have already achieved is that they have successfully taken the soverignty from the hands of one class of people and put it in those of another class of people, and both classes are minority in number. In short, it is the "Dictatorship of a comparatively few proletariats." "In Bolshevism the dictatorship is to be no light affair," said John Spargo, "no purely nominal force but an iron-hand rule." Lenine himself emphasized: "But dictatorship is a great word, and great words must not be used in vain. A dictatorship is an iron rule, with revolutionary daring and swift and merciless in the suppression of the exploiter as well as things. We must learn to combine the stormy energition breaking of all restraint on the part of the toiling masses with iron discipline during work, with absolute submission to the will of one person, the Soviet Dictator during work." It leaves nothing to be doubtful that proletariat becomes the dictatorship of a single person. The true socialist policy, on the other hand, is that "the political power which the social democracy aims at and which it will win, has not for its object the establishment of the dictatorship of the proletariat, but the suppression of the burgeoisie."

From what has been given above we can see clearly that the present Russian Bolsheviks have not yet got at the goal of true Socialism. They at most have succeeded in footing half the course and whether or not the Soviet system can be brought up to the ideal goal it remains to be seen.

(III) Bolshevik Influence in China.

It seems to me that no one can deny that the Bolshevik influence has already got foothold in many parts of China. Besides the Canton government being bitterly accused as the head-quarters of Chinese Bolsheviks nearly every strike and every demonstration taking place during the last few years has been ascribed to the red agitation. In everyday's newspapers, foreign rather than Chinese, we have come across lots of articles concerning the Bolshevik activities in this part of the world. But unfortunately since most, if not all, of these articles are written by anti-Bolsheviks, the writers have never failed to paint the picture in too deep a color. It is so much so that we can hardly know the true condition and development, if any, of this unpopular influence, and consequently we are not safe to draw any positive conclusion from such doubtful data and instances. Now we take it for granted that the Canton government is purely red, I for one should say it can not be a proof of the fact that our China will be and can be a Bolshevistic nation. I personally maintain that China has little possiblity to be Bolshevized, for the requisite conditions which bring Bolshevism within the scope of practical politics are still wanting. What are the requisite conditions? From what we have discussed above we know there must be at least five conditions which render it possible for Bolshevism to make its advent: (1) an industralized society, (2) the concentration of capital in the hands of a few, (3) the merciless exploitation of the laboring class being intolerable, (4) the presence of the class consciousness as a result from the third, and (5) vigorous, competent and self-sacrificing labor leaders. Now, let us see whether or not these conditions are existent in China.

First, China is by no means industrialized. She is in many respects still in the handicraft stage of production, and as a matter of practical fact she is an agricultural country. To this point no one will disagree. Secondly, in China there is no concentration of capital. We all admit that there can be no industry without capital. But unfortunately it is equally true that there can be no great capital without industry. As China has no industry so there are no great capitalists. Moreover, Chinese are poor in general. Thirdly, so far as China has no capitalists the third condition naturally not exist. Fourthly, this condition is only a result of the preceeding one. The cause being absent, the effect is certainly non-existent. Lastly, in China the laboring class only consists of a very small percentage of the whole population and furthermore the majority of the laborers are illiterate. So it is entirely impossible to get vigorous, competent, and self-sacrificing labor-leaders.

Besides the absence of these five fundamental requisite conditions in China, there is the presence of several other conditions which are very unfavorable to Bolshevism. Among them social organization, family system and sex honor are the salient ones. China has her old institutions, traditions and customs which have served and are still serving as the cement to bind China firmly together for thousands of years despite her vast area and tremendous population. Even today such binding forces show not the least sign of relaxation. Bolshevism, being something antagonistic to these forces, is in the eyes of the Chinese people a most venomous serpent, and it has been bitterly cursed throughout the whole breadth and length of the country. Nothing illustrates the national-wide antagonistic opinion and attitude towards Bolshevism better than the fact that in the recent fighting all the warlords bid for popular support either by announcing that they make war over the Bolsheviks or by vigorous disclaimers of any association with that unpopular party.

Therefore, judging from the present conditions, China will not and can not be a "red" country. If the Canton government is truly a follower of Moscow and tries to redden whole China regardless of the public opinion, it will naturally die out sooner or later. But I should think those seeming Reds are in fact no more than pure nationalists, and they use Russia as a means rather than being used. As soon as their goal is reached, I think they will turn to green instead of red.

St. John's University,
Shanghai.
March 29, 1926

Changes In Staff of The China Press

Four members of the editorial staff of The China Press, Shanghai, resigned on March 31. They were, J. B. Powell, Editor, Jabin Hsu, Assistant and Chinese Editor, Miss Louise B. Wilson, Literary Editor in Charge of Women's interests and manager of the Radio Dept. and Horace L. Felton, Asst. News Editor and Reporter. Mr. Powell has returned to his previous position as Editor and Publisher of *The China Weekly Review* while Miss Wilson and Mr. Felton have joined the editorial staff of the North-China Daily News. Jabin Hsu has not as yet announced his plans. Geo. W. Missemer, another American member of the editorial staff of The China Press, severed his connection with the paper several weeks previous to the resignations of other members of the staff on March 31. The China Press has announced the appointment of B. J. Leval, previously connected with the Shanghai Evening News, as editor, in place of Mr. Powell.

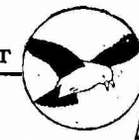
Ford Operates Own Steel Mill

Rolling of steel has begun in the new big steel mill of the Ford Motor Company at the River Rouge plant. Except for a few officials who were present and the cutting of several short pieces from the first bar, to be retained as souveniers, the opening of the mill was unmarked. It was significant, however, for it is a new step in Ford development destined to effect a big economy in production and brings the company closer to the realization of its plans to direct within its own organization every step of manufacturing progress from the raw material to the finished product.

In the parlance of the trade the mill is known as a merchant mill, a name passed down from the early days in steel trade, when the steel bar merchant was expected to handle bars of various sizes. And this is just what the new mill will do. It will produce bars of various sizes, all of steel made according to Ford specifications and intended for the manufacture of as many separate parts to be used in the assembly of Ford cars.

The steel plant is housed in a building, 460 by 1500 feet, with high walls of steel and glass which provide a maximum of daylight and ventilating facilities. Equipment is the latest in steel mill practice.

The rolling mill, occupying one portion of this, is electrically operated and has what is known as six stands of eighteen-inch rollers and four stands of fourteen-inch rollers. When the new industry gets into operation as a whole, with everything running from opening hearth furnaces to rolling mill, it will present in reality a mammoth movement to Ford economy methods.

RIVALS THE BEAUTY OF THE SCARLET  TANAGER

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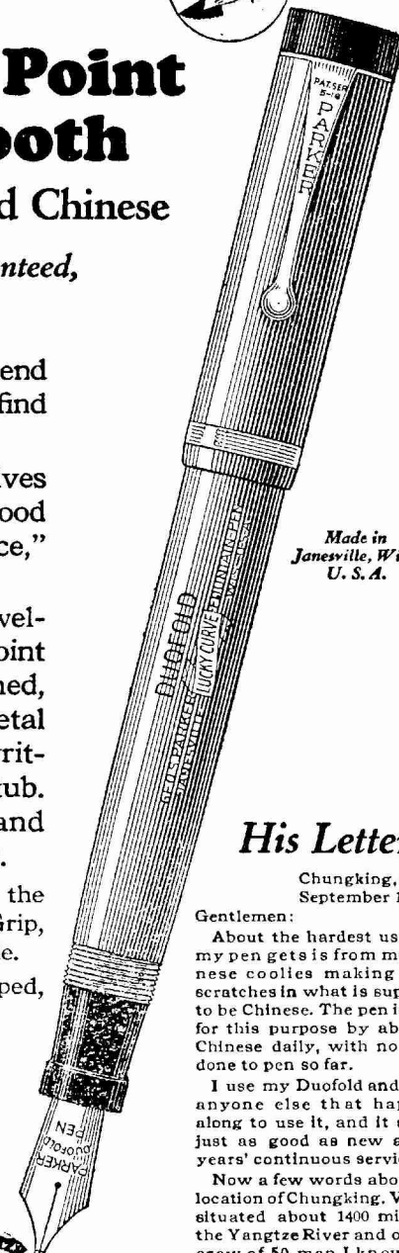


Made in Janesville, Wis. U. S. A.

His Letter

Chungking, China
September 10, 1925

Gentlemen:

About the hardest use that my pen gets is from my Chinese coolies making their scratches in what is supposed to be Chinese. The pen is used for this purpose by about 15 Chinese daily, with no harm done to pen so far.

I use my Duofold and allow anyone else that happens along to use it, and it still is just as good as new after 3 years' continuous service.

Now a few words about the location of Chungking. We are situated about 1400 miles up the Yangtze River and out of a crew of 50 men I know of at least 10 satisfied Parker owners, so that you may safely claim a World Wide Reputation as the makers of the world's "best obtainable Fountain Pen."

Sincerely,
C. H. ADAMS

The Story of China's "Four Libraries."

BY JOHN C. B. KWEI

Librarian, Shantung Christian University

"Ssu Ku, Ssu Ku, how great is Ssu Ku;
Before Ssu Ku there never was a Ssu Ku;
Since Ssu Ku there never has been a Ssu Ku;
Ssu Ku, Ssu Ku, how great is Ssu Ku."

This is the general attitude of the Chinese educated class towards a set of books, printed in the Manchu dynasty, under the glorious reign of Chien-lung, (1736-1796). The age of Chien-lung is usually considered as the Golden Age of the Chinese cultural achievements in the Manchu dynasty. Among all the literary publications accomplished, there stands the immortal Ssu Ku Chuan Shu, or the Complete Set Of The Four Libraries. The "Libraries", here used, mean libraries of the Classics, History, Philosophy, and Miscellany, into those four classes the Chinese usually classify the human knowledge. What is there of value in philosophy, religion, ethics, history and others that has not found a place in these hand-written pages? Through them, we may still have the counsel of Confucius, and the advice of Mencius. Through them, all the accomplishments and failures of many generations of men, all their hopes and their fancies, their beliefs and doubts, are still available for our understanding and contemplation. Moreover, this book is world-famous for its birth, scope covered, and number of volumes.

Many thinking people have asked themselves again and again the question why this gigantic work should be completed under the Manchu Rule, instead of any other time, when the Chinese were governed by their own rulers. Before 1644, the Manchus were not a part of China. They were foreigners to the Chinese then, just as much as the Indians now. They were not a literary people, and had no native literature. It must not be supposed that this work was the mere result of the prosperous conditions of the time. In order to understand this question intelligently, one has to go back to the political conditions under which it had its birth.

The Manchus subdued the Chinese by military strength, but never the latter yielded their hearts. During the earlier part of the reign of Chen-lung, the feud between the Manchus and Chinese in political circles took such an alarming nature that there were many who resented the new order of things. Not a few of these men who had held high positions under the previous dynasty were leaders in thought, if not actually in action. Consequently, their writings were antagonistic to the interests of the new dynasty. To permit them to poison the minds of the people was dangerous, but to stop them by sheer force might have resulted in more violent forms. Yet they must be won over to the side of the emperor, and this the emperor did most admirably.

First of all, the emperor took advantage of Lamaism and the ethical teachings of Confucius to fulfill his purpose. Hence in Mongolia, Lamaism was allowed and encouraged. In the China proper no effort had been spared in maintaining the ethical teachings of Confucius, especially in relation to loyality. As a matter of fact, the former is to the Mongols what the latter to the Chinese. In this way, a large number of the people had been able to take a submissive attitude. At least this holds true with the ignorant class.

Secondly, in dealing with the educated people, order had been given that every one should assist in bringing to the notice of the authorities the names of all the best scholars of the day. In this way, hundreds of them were brought before the emperor, and were appointed to work with others on the history of the previous dynasty, and other works entailing labor and research. This system was the most effective weapon which could wield against the literary and most influential part of the people.

Ssu Ku Chuan Shu is the direct outcome of the second method. It was started in 1772 with an idea to copy every known book, and finished in 1782. Every official had been instructed to search, and send all books to Peking, especially those that had a direct bearing on ethical teachings. Private individuals were also induced to send books to the capital. If one could send more than one hundred kinds of books, he would be called A Custodian Of Books, and his name would be listed down in the bibliography of the book. If more than six or seven hundred books could be sent, the emperor would show his appreciation by presenting to the owner a set of books, with his own seal, and possibly his own comment. Thus, a large collection had been made possible. But, on the other hand, publications of a seditious character had been burnt and destroyed. According to the official, records, from 1774 to 1782, 13,862 volumes of books, permeated with a hostile attitude, had been utterly demolished in twenty four different times.

For nearly ten years, more than three hundred and fifty six persons did the editing work alone. There were about one thousand and five hundred scribes or copyists, who wrote all day long. In those days the working hours were practically from sunrise to sunset, with two meals daily, and no consideration for the need of physical development, and none for any form of receation. Therefore we can see this book is the result of much sacrlfice and suffering.

The first copy of Ssu Ku Chuan Shu was bound in 36,000 volumes, with four different kinds of binding colors,—blue for the Classics, red for the History, white for the Philophy, and black for the Miscellany. Blue signifies perpetuity, red bloodshed, white purity and black mixture. There are ten main divisions in the Classics, fifteen in the History, fourteen in the Philosophy, and five in the Miscellany. It was placed in the Wen Yuan Kou, inside the Imperial City, Peking. In 1783 the second copy was completed and sent to Wen Soh Kuo, Mukden. Before longathird was stocked in Yuan Ming Yuen, near Peking, and the fourth in Wen King Kuo, Jehol. Three more extra copies were finished in 1784,—one for the Wen Huei Kuo, Yangchow, one for the Wen Chung Kuo, Chengkiang, one for the Wen Lang Kuo, Hangchow. The third copy had been completely lost in 1860, when Yuan was burnt to the ground, by Lord Elgin's orders. The fifth, sixth and seventh were more or less lost during the Taiping Rebellion (1850-64). Only the first, second and fourth are left, which are now in Peking.

In view of these facts, Ssu Ku Chuan Shu is first accomplished with no intention of enlightening the public, less with the love of Chinese culture. Though the motive for its birth is not ideal, yet its present existence can give us a good view of the books, written by authors of the remote past up to the time of Chien-lung. Let us widen and enlarge the conception of book-collection, not for one person, or one dynasty, not for the privileged class, not for one particular locality, or time, but for the welfare of the whole nation and for the progress of tho whole world. Virtually speaking, this is what we now call the Public Library Movement.

Shantung Christian University,
Tsinan, April 1, 1926.

The Harbor of Hong Kong

(Written for the SHIELD *by an appreciative Princeton Professor.)*

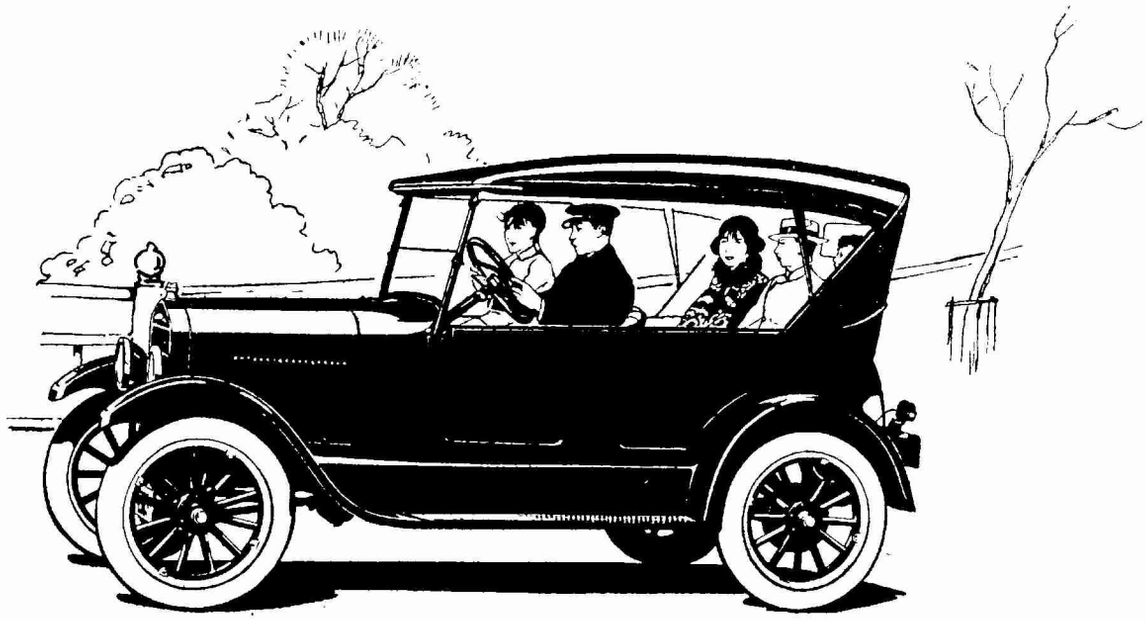
They say that Honolulu's the loveliest place afloat:
With highlands on the islands and bloaters in the boat;
I guess it's true from all I hear of palm-trees by the sea,
And the mermaids and the other things you find at Waikiki;
The moonlight's nice to park in on the road to Diamond Head;
And at the old Aquarium are fishes to be fed:
They'll tell you all about it and they'll sing it in a song:
But I'd rather cast *my* anchor in the Harbor of Hong Kong!

Tney say that Kobe's rather nice, especially in spring:
The cherry-blossoms ain't so much: the liquor is the thing;
The earthquakes ain't so frequent, the mosquitoes ain't begun;
And your trousers don't get mildewed just with sitting in the sun;
You listen to the music of the naughty samiesen
And swear to God you'll never stand such noise as that again—
But—Kobe ice or Kobe dice; and be it right or wrong;
I'd rather hear the coolies in the Harbor of Hong Kong.

I've heard old timers tell of glories long gone by,
Of the splendors and the spenders and the benders of Shanghai:
The races and the chases and the faces on the tiles;
The dining wits and signing chits, and late Parisian styles;
But the current and the liquor and the pace are awful strong,
And I'd rather have my samshu in the Harbor of Hong Kong.

O, lovely are the lights that climb from Queen's Road to the Top,
And lovely are the ships-lights when the night begins to drop:
The voices may be shrill: tugs may split the air with noise:
Yonder is the shore I love: yonder are the boys:
And here's to all the ladies—(for them I'm mighty strong)
Who look with loving eyes upon the Harbor of Hong Kong.

—FRANCIS C. MACDONALD.



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International Trade Rivalries

BY DR. JULIUS KLEIN

Director U. S. Bureau of Foreign and Domestic Commerce

THE outstanding topic in the world of international business today is the recovery of Europe with all it implies to us, not only in teams of revived buying power for our leading customer, but particularly as a significant indication of coming competition in overseas trade.

Europe's purchases from us this year will probably approach the formidable figure of $2,700,000,000, comprising not only the staple raw materials—wheat, cotton, copper, oil, etc.—but a rapidly increasing proportion of fabricated wares. No less than 30 per cent of our total exports of the latter group now go to Europe, and with the new needs of the Old World for a reconstruction equipment, it would not be surprising to find our sales of machinery for 1925 approach $40,000,000, as compared with $27,000,000 in 1913.

There can be no doubt that this recovery is not simply a matter of hope and prophesy, but has, in fact, aleady made substantial progress. Even a casual survey of the European business situation brings out the fact that the ground work is already well laid for an enduring edifice of commercial good will and prosperity. It is quite evident that the recent spectacular diplomatic understandings have come really as the culmination of a progressive period of economic accord which has been gathering strength for some time.

For example, it is not generally realized that nearly 100 commercial treaties have been negotiated since the war, the majority of them based essentially upon most-favored-nation assurances, which bespeak an increasing will to accommodate one nation's measures of trade control to another's needs. The ratification of the Geneva Customs Convention of 1923 by more than thirty nations has provided simplified, standardized practices and rules governing customs procedure, greatly facilitating the movement of goods in international traffic and materially curtailing the costs and difficulties of foreign trade which plays so large a part in the economic life of every European country.

American Business Methods Studied

There has been a notable diminution in the number of so-called "gambling traders" who sprang up on every hand in Europe during the boom period immediately after the war and thrived upon the inflations and hectic uncertainties of that era. This swarm of undesirables is disappearing with the elimination of the conditions which brought them into being and in their stead has arisen a new class of substantial business elements basing their trade practices not only upon the best traditions of the old European standards, but also—and this is a significant indication—upon the newly recognized, improved technique of industrial and commercial methods of the United States. There is hardly an American industry which is not now being visited by scores of young observers from the leading European countries, and we may fully expect to see a readaptation of many of the best American trade and production usages in corresponding industries across the Atlantic.

A significant indication that this European revival is already well under way can be found in comparisons of the total foreign trade (exports plus imports) of the four leading commercial nations of the world for the fiscal year 1924-25 as against 1913. After appropiate deductions have been made for increesing prices during the intervening period, it is found that the foreign commerce of the United States increased during that time about 30 per cent and that of France increased about 5 per cent. Meanwhile the trade of Britain had almost reached pre-war levels, standing at about 1 per cent below 1913 totals, while German was about 27 per cent below her 1913 commerce, which represented a more rapid advance than was made by either of her two leading competitors.

With this evident revival and a clear prospect of even more intensive trade activity, there arises at once the question as to the significance of this development in terms of competition overseas. Are we likely to face any serious consequences in our newly acquired markets in Latin America and the Far East? What are the outstanding difficulties in the way of American exporters in this prospect of international trade rivalries?

First of all, we must take note frankly of the persistent survival of certain war-born limitations upon international commerce, which are likely to a direct reaction upon our trade. The one unfortunate exception to the progressive movement in the elimination of the heritage of economic waste left over from the war is the continuance of restrictive measures of some foreign governments upon the trade in certain essential raw materials. This subject has been given considerable attention by the Department of Commerce under authority of congressional appropriations, and a series of surveys of the trades in such basic commodities as rubber, coffee, sisal, tin, tanning extracts, quinine, and nitrates has brought out fact that the most effective answer to such continuance of the war-time practice of artificial controls of trade is the development of competitive sources.

A second phase of this continuance of war-time psychology in the realm of commerce, which is confronting American foreign trade, is the persistence of various types of nationalistic propaganda against American merchandise.

By this I do not refer to the normal competitive efforts of rival merchants, but rather to the more or less organized attempts, in some cases under the patronage of various associations of foreign merchants and manufacturers, to discredit the quality of American goods or the trade practices of American manufactures and exporters. We cannot take exception to such measures as the imperial preference program whereby Britain is endeavoring to weld the empire into a stronger economic unit, unless, of course, there be some specific discrimination against American merchandise as comparedwith that from other foreign countries. The only effective answer to such a program can be found through the achievement of admitted superiority on the part of our wares in quality or price or service.

Patriotism and Economic Principles

This applies also to publicity campaigns now being carried on through the press in their respective countries by various European industrial organizations in behalf of their native wares. Before we become too concerned over such advertising campaigns, it might be well to recall the axiom that it is quite impossible to correlate purchasing with patriotism. There is no logic or sound economic basis for any such effort to link up loyalty to one's government with the transactions of every-day business. After all, there is no escapting the first principle of successful merchandising, namely, to buy in the cheapest market and to sell in the highest.

Another phase of these international trade rivalries, which is perhaps inevitable in any period of post-war economic adjustment, is the continued participation of governments in certain forms of industry. This phenomenon is bound to give American international trade some difficulty; there will undoubtedly continue to be from time to time special subventions by some foreign governments to this or that industry such as the 10,000,000 pound grant to the coal industry by Great Britain or the participation of the Japanese government in many phases of that Empire. But there seem to do definite prospects that the general world-wide readjustment and particularly the budgetary needs of our leading trade rivals, will expedite the elimination of such abnormalities.

Such artificial devices as imperial preference agreements do not seem to be entirely effective in blocking the normal currents of American trade. For example, our pre-war share of Australia's imports was about 12 per cent. The figure, according to the latest tabulations, is more than doubled, standing close to 25 per cent. Meanwhile, England's contributions to Australian purchases have fallen from 60 per cent to 45 per cent This by no means involves necessarily the exclusion of British wares through the substitution of corresponding American goods. The real explanation lies in the marked expansion of American commodities which, in the main, had not hitherto been supplied either by Britain or any other outside source. Australia is today the leading overseas market for our automobiles, and just as long as American automobile manufacturers meet the specialized needs of the Australian market, as to quality, service and prices, just so long can we anticipate a continuance of that valued trade.

In general the same proposition applies to numerous other so-called competitive items. Their future expansion is contingent primarily upon the growing purchasing power and developing demands of the great consumer territories overseas. Our attention should be focused not so much upon what our rivals may or may not be doing, but rather upon two vital elements: (1) the market prospects in any given area, and (2) our capacity to produce and export the desired commodities.

As to the first consideration, there seems to be no doubt that in one commodity after another, we are in a position to meet the new needs inspired by the industrial developments and changing standards of living which have been evident throughout the world within the past few years. Perhaps the best index of our ability to meet these new needs is shown in

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the expansion of our exports in certain highly competitive items during the fiscal year 1924-25, as compared with 1923-24. In that time our exports of automobiles grew 42 per cent, freight cars 151 per cent, calculators 41 per cent, knitting machines 50 per cent, silk goods 38 per cent, machine tools 31 per cent. The growing makets for such items as these form the best indication of the advancement of well-being and the improvement in demand among our overseas customers.

Take as a further illustration the situation in the highly competitive trade in electrical goods. The United States is today the largest exporter of these wares and its position is not seriously threatened. Before the war Germany led the world and supplied almost half of the total shipped by the five leading electrical manufacturing countries. The astounding advancement in technique in that industry in the United States and the tremendous domestic demand for its output, are undoubtedly the two explanations for the substantial position attained in our exports of this type.

Enormous American Production

In this matter of the backing given to our overseas trade efforts through the support of a great mass domestic trade no better illustration could be found than the automotive industry. Our production of passenger cars and trucks in 1924 totaled 3,640,000 units, of which about 321,000 were exported. As compared with these figures the best estimates obtainable do not place the combined production of all European plants in excess of 350,000 units, which is but little more than our exports during that period. In other commodities we are now selling nearly as much overseas as is actually produced throughout Europe for its own needs, as well as for export.

Similarly, the American steel industry is able to hold its own in the world's open markets in the face of any reviving European competition because of these same elements of tremendous mass production due to the employment of far greater efficiency both in management and in labor. Our present steel ingot production is just under 60 million gross tons, or considerably more than all of the rest of the world put together. American pig iron capacity is rated at 53 million tons, which is likewise more than half of the world's total. Our European rivals in this field may have obtained at one time or another momentary price advantages, but after their currencies become stable and their production costs increase—which is everywhere evident—it is difficult to see how they can stand up in the long run in those lines in which American industry proposes to make a serious export effort.

Recovery in Europe will undoubtedly stimulate her competitive effort, but it is likewise bound to raise materially her productive costs. The further progress in the necessary but drastic process of balancing budgets and stablizing currencies is bound to lift wages and afford scant relief in taxation.

So far as our own export procedure is concerned, there are certain outstanding factors which American merchants should observe with the closest care. First of all, the almost kaleidoscopic succession of changes in the economic and commercial outlook requires the utmost watchfulness to capitalize every possible opportunity. Now, as never before, there is need for accurate, up-to-the-minute commercial intelligence. We cannot direct the strategy of our international commercial operations unless we have the most timely and precise data as to where the various openings for our commodities are occurring or might develop. The blind spots in our operations are still far too frequent. Take, for example, the Near East where the gradual stabilization of conditions is offering unusual opportunities to American merchants. Unless we move rapidly in that territory, the prestige which we have been enjoying of late in that section will have dwindled, and the recent resentments against some of our European rivals will have likewise disappeared. There is still room for more vigilant observation of the opportunities in the East Indies, where reviving German, Belgian and other continental activities are pre-empting attractive markets which might well have been taken over through American enterprise.

Certainly the tremendous increase in the investment of American capital abroad which has arisen from two billion dollars to more than nine billions in the past decade offers a substantial reason for the exploitation by American merchants of the trade openings afforded in many cases in connection with these new investments.

Not only should this careful scrutiny be applied to the prospects for new trade openings; it should by all means be extended to the machinery or personnel through which we propose to capitalize these openings. In other words, there is need now as never before for the most rigorous appraisal of our agency or distribution arrangements. With the revival of European trade, it is becoming evident that many

European agents employed as distributors by America are turning back to their old European connections.

American merchandise was gladly handled and pushed to the *limit* by these representatives as long as there was no definite prospect of a connection with their own nationals; but with the reviving strength of the latter, it is quite natural to find a renewal of relationship with their kin in the home land. In many markets there are no American or native distributors available which reduces the American exporter to the necessity of employing European connections. But the changing conditions in the old countries is bringing out more clearly every week the necessity for the utmost care in checking up the activities of such European distributors of American wares.

There is another phase of this agency situation which will require careful attention. During the readjustments and managerial alterations in many important industries in the United States since 1921, there has been all too frequent a tendency to make radical and entirely unnecessary changes in overseas distributive organizations. The fact that a great deal of house cleaning was necessary in the higher official ranks in various industries in this country has by no means warranted similar drastic changes in agency arrangements abroad. The utmost care should be exercised in avoiding these tragic losses in good will, which have been unfortunately caused by the hasty shifting of plans of American companies whose operations in foreign trade have been more or less opportunistic and haphazard.

With proper attention to these vital factors of accurate data on trade openings and on agency arrangements, the prospect for effective advancement of our overseas economic interest seems assured.

Perhaps the most gratifying index of this is found in the marked improvement in export technique which is evident in all parts of the country. The 7,000 queries on foreign trade problems, which are now being submitted to the Department of Commerce every day, represent not only a ten-fold increase in number over the last four years, but an equally notable advance in the quality and intricacy of the problems submitted. There is far greater care exercised in the scrutiny of trade statistics; on the part of our trading community; market researches are being carried on with much more expert attention to details, and even in the matter of improving agency relationships, it is significant that whereas about 72,000 lists of desirable foreign buyers were requested by business men from the department in the fiscal year 1921-22, that number was increased to over 687,000 in 1924-25. Definite steps are being taken to simplify and standardize bills of lading, letters of credit and other trade documentation through the agency of commercial organizations represented by the 68 trade committees collaborating with this department.

The old bugaboo of inadequate packing methods has long since disappeared, due, in part at least, to the results of a widespread successful campaign inaugurated by this department in collaboration with the American Railway Association and various shippers organizations, freight forwarders, insurance groups, etc. With these efforts on the part of American manufacturers and exporters to modernize the standards of American export technique and with the enormous accumulation of new advantages in their favor through improved American ship service, American cable and banking connections, and particularly through the formidable weight of increasing American investments, we may face the future of our export program with equanimity and confidence.

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News from Central China

The first extraordinary meeting in 1926 was held by the Central China Branch of the China Medical Association, at the residence of Dr. H. J. Shu, to discuss a resolution to presented to the British Boxer Indemnity Commission, that a part of the funds be allotted to the promotion of public health in China. Elever physicians were present, and the following committee composed of members of the Association were appointed to present the resolution to the Commission: Dr. Pell, Dr. Chiang, Dr. Shu and Dr. Gillison.

The local government announces that the forthcoming official worship of the ancient warriors, Kwan Kung and Yoh Fei, will be held this year at the drill field inside the Yamen of the Garaison Commander in Hankow. The services will be conducted by Marshal Wu Pei-fu, who will be assisted by Tupan Chen Kia-mu and Pangpan Tu Shih-chun.

General Liu Tso-lung, Commander of the Hupeh Second Division, is reported to have been appointed by Tupan Chen Kia-mu as Commander-in-chief of the Wuhan Precautionary Forces. General Chao Yung-hua has been made Second-in-command. The office of Commander-in-chief was formerly held by Tupan Chen when the late Marshal Hsiao Yao-nan was Governor at Wuchang.

The Hankow Chinese Chamber of Commerce is reported to have received instructions from Peking to the effect that the extraterritoriality Commission will pay a visit to Wuhan center in the near future. The local judiciary authorities have been also informed of the Commission's decision and have been instructed to make necessary preparations for the welcome of the delegates.

The Hupeh-Hunan situation has now, as latest reports to hand indicate, developed to a point where Hupeh is in immediate danger of an attack by the forces of General Tang Sen-chin, who has recently ousted Chao Heng-ti from Changsha. The Allied Headquarters here have received repeated telegrams from the Hupeh generals in the Upper Yangtse asking for instructions regarding defence for the southern and western borders of the province.

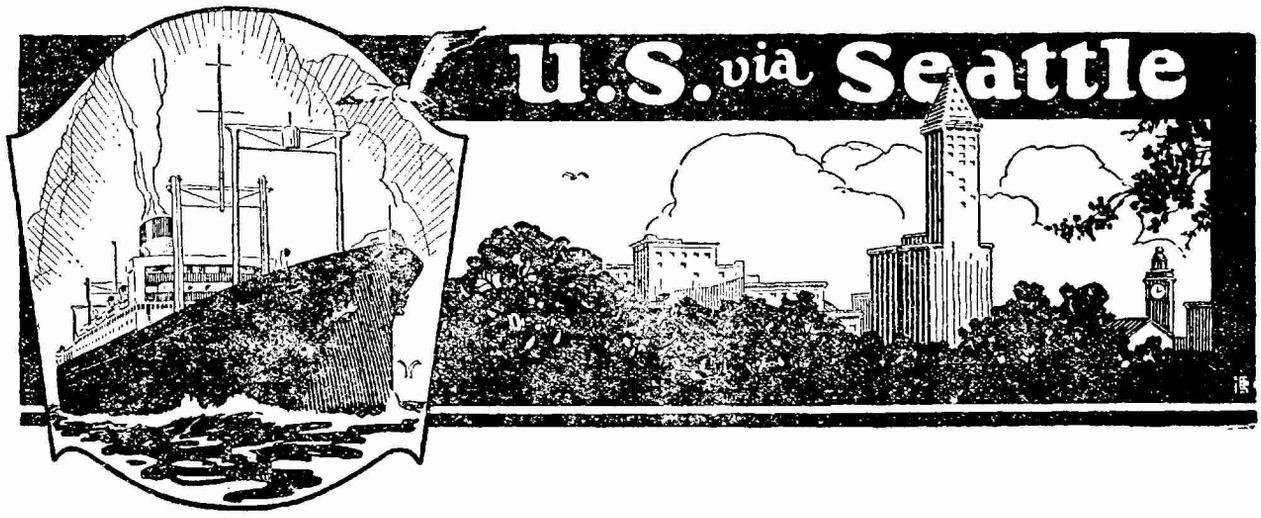
A holiday will be declared in all the government schools and headquarters on April 5th, Arbor Day. Local authorities in Wuchang are exceedingly busy now making arrangements for treeplanting ceremonies.

With a view to preserving the peace of the Yangtse provinces, Marshal Wu Pei-fu has finally, in the name of Commander-in-chief of the Allied Forces, taken steps to settle the military affairs in Kiangsi. An order has been released by the General Headquarters dismissing General Fang Pan-jen as Tupan of Kiangsi and appointing General Teng Yu-tso, Garrison Commander at Kiukiang, to the post. Marshal Sun Chuan-fang is reported to have given his approval to this important change, which will strengthen the forces of the Allies. General Fang has already left Nanchang for Shanghai after the dismissal, by Wu and Sun, and General Teng has assumed the new post. General Fang was dismissed because he is alleged to have worked in conspiracy with the Kuominchun to turn against Marshal Wu.

Lord Willingdon and the other members of the British China Indemnity Delegation were entertained at a dinner given at the Chinese Chamber by Hankow's six leading business and banking organizations, namely the Hupeh Union of Chambers, the Hankow Chinese Chamber, the Wuchang Chamber, the Hanyang Chamber, the Hankow Chinese Bankers Association and the Hankow Native Banks Association. Over 50 local prominent business men and bankers were present at the gathering, at which further views were expressed with regard to the best means of distributing the British share of the Boxer Funds. Mr. Chow Sin-tang, Chairman of the Hankow Chinese Chamber, spoke at length on the supervision and use of the Boxer Funds, strongly recommending that the money should be spent for the development of Chinese industries and communications. Mr. Chow's speech was translated into English by Mr. Liu Siao-yen of the Chinese Chamber.

In his speech, given at the dinner in honor of Lord and Lady Willingdon and party at the Bankers Association on Monday evening, Marshal Wu Pei-fu made the following speech, interpreted by Chang Ying-hwa, Director of the Financial Department of the Allies in Hankow:—

"It gives me great pleasure to offer my hearty welcome and sincere hospitality to Lord and Lady Willingdon, and to their colleagues, who are entrusted with the duty of studying and recommending upon ways and means for the disposal of the Boxer Indemnity returnable to China by the British Government.



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Kuan Chun Mow, Manager of the O'Tung Cotton Yarn House.
Seu Tsing Jan, General Manager of the Poh Yei Cotton Mill.

—Auditors—

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"As I undertand it, the disposal of the Boxer Indemnity fund has long been a question of contention. A certain section of the people strongly recommend that this fund will be most profitably employed in reclaiming the frontier territories; while others advocate the view that it should be entirely devoted to educational purposes. So far as the significance of these enterprises are concerned, both of these arguments sound quite reasonable. But, if they are studied more carefully, it will be found that the former is not practical in the present state of China, which the latter requires some sensible plan to support it.

"The impossibility of reclaiming frontier territory under present chaotic conditions is easily perceptible to the keen observer. Let us, therefore, drop this proposition and suppose that the British portion of the Boxer Indemnity fund shall be devoted entirely to educational purposes. Under those circumstances, where will the money be after, say, some twenty or thirty years, if it is not properly invested and well handled? How to invest this fund with the ultimate object of promoting education in China is the point which to bring before you this evening.

"Having taken this question under consideration for some time, I have come to the conclusion that railway constructions is, firstly, the most needed industry in China at present, and secondly, the most profitable enterprise capable of yielding sufficient revenue to carry out educational reform. There are two main lines which, in my opinion, should be built first. One connecting Szechuen and Hankow, and the other between Hankow and Canton. If these lines are properly managed, I am sure a third of their receipts will be sufficient to meet the expenditure of all the educational reform required throughout the country. We would therefore, have money left over to future the development of communications. You will see that with this plan, that we establish a permanent foundation for the promotion of education by means of railway development.

"I hope you gentleman will give this proposition of mine its due consideration."

A squadron of 18 Japanese destroyers is due to arrive to Shanghai on Friday. After staying there five days the squadron will proceed up the Yangtse, visiting Nanking on April 1, Tatung April 4, arriving at Kiukiang the following day and coming to Hankow on April 9. The squadron is expected to leave here again for down river on April 13.

General Tang Seng-chi, the new Civil Governor of Hunan, in replying to an address of welcome given by the Assembly, stated most emphatically that he was not a Bolshevik, or Communist, and that his determination was to follow the footsteps of Governor Chao Heng-ti and protect the Hunan constitution. General Tang celebrated his coming to office by the immediate closing down of the *Ta Hunan Pao* a Kuominchun propaganda journal, and this is regarded with a good deal of satisfaction by the majority of the people who seem to read in it a sign that General Tang has no connection with the Kuomintang movement.

General Tang Sen-chin, present Tupan of Hunan, has been declared disloyal by the Kuomintang troops of south China which are now launching an offensive against the province, and immediate war is inevitable. All traffic on the railway between Wuchang and Changsha has now been suspended by troops at this point who have commandeered all trains and are preparing to move against the Third Division which is reported to have moved forty miles south of Yochow.

The Wu-Han River Police have recently purchased through a local French firm a couple of hydroplanes. The two aircraft have already arrived in Hankow and are at present being assembled by a French engineer at the Kiuhan railway works. The planes are said to be for use in bandit extermination in the river district.

A correspondent in Chungkiang writes to the effect that lately many new bandit gangs known as the "Red Lantern" bandits have sprung up in the various districts in Szechuen. These bandits carry big red lanterns when they raid the villages and are reported to have kidnapped a large number of civilians.

The Chamber of Commerce in Wuchang is reported to have taken over the Wuchang Electric Light Company and has already made plans for its reorganization. It is hoped that power for household and commercial lighting will again be supplied within a month or two. The Electric Light Co. has shut down its plant recently on account of financial trouble, and the city has been without electric light for the past few weeks.

Chiang Feh-li, Chief of Staff of Marshal Wu Pei-fu, has sent a telegram from Changsha stating that General Tang Sen-chih, the new Hunan Governor, has expressed his desire or joining the allies to fight against the Kuominchun. Mr. Chiang states that the situation in Changsha and other Hunan cities is very quiet.

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Marshal Chi Hsieh-yuan and Chang Kuo-yung returned to Hankow from Kaifeng on Monday afternoon. They have made a survey of the political situation in Honan province.

Kao Liang-wei, Chief of the Communications Department of the Allied Headquarters, who arrived here from Shanghai last week, was the guest of about thirty local leading merchants at a dinner held at the Chinese Merchants' Club on Sunday evening. It is understood that Mr. Kao will remain in Hankow for some time.

Shueh Han (Charles Suez), who has been secretary to Marshal Wu Pei-fu for a number of years, has now been appointed as Commissioner for Foreign Affairs for Honan. During the past few years, Mr. Shueh has rendered commendable services to Marshal Wu and has been well-known to both the foreign and Chinese circles here during his short stay is Hankow. Mr. Shueh will leave for his new post in the next few days.

Chen Chieh, Commissioner of Foreign Affairs and now concurrently Superintendent of Customs, officially assumed the latter office Thursday morning. A host of Chinese and foreign friends called on Mr. Chen to offer their good wishes and contragulate him.

Gereral Wu Kuan-sin, former Minister of War at Peking and brother-in-law of Chief Executive Tuan Chi-jui, who arrived in Hankow last week to interview Marshal Wu Pei-fu, went to Wuchang on Tuesday to call on Tupan Chen Chia-mo.

C. C. Lao, former Vice-Minister of Communications, has been appointed by Marshal Wu Pei-fu to be manging Director of the Peking-Hankow Railway. Mr, Lao has assumed his office in Hankow.

A banquet was given on Sunday evening last in the Special District (Ex-Russian Concession) Municipal Hall in honor of J. F. Gwen of the Estate Office of Jardine Mathesen & Co., and C. Y. Wang, mining engineer, who are retiring from the Council. Silver tablets, expressing appreciation of the work which they have done for the municipality, were presented to the retiring Councillors.

The residents of Sinyang, Honan, so long beseiged, have received $15,000 in relief money, largely through the efforts of the Hankow office of the China International Famine Relief Commission. Of this sum, $10,000 is from the Honan Customs Surtax and $5,000 from General Chin, well known to Chikungshan visitors.

The Shensi troops under the command of General Chiang Shih-chieh will be organized into a division and will be despatched to Szechuen to assist General Yang Sen in his military campaign against the Szechuen generals who are in control of the province.

General Tu Shih-chun, of Garrison Command of Hankow, tendered his resignation from the post of civil governor to Marshal Wu Pei-fu. Aa official announcement was made on Sunday that General Tu's resignation was accepted and that Tupan Chen Kia-mu had been appointed as concurrent Civil Governor of Hupeh province. Marshal Wu has also issued a separate order appointing General Tu as Assisting Tupan of Military Affairs in Hupeh.

With the aproaching of the Arbor Day, the local provincial government has instructed the magistrates and school authorities in the various districts to observe the occasion with fitting ceremony "in order to impress upon the people the importance of trees in the national economy"

The Kin-Han train began running yesterday to as far as Hantan, north of Tsechow, indicatiug that Marshal Wu Pei-fu's forces have now crossed the Honan Chihli border and gained control of the territory in Southern Chihli. The troops are reported to be marching forward with Paotingfu as objective.

Plans have now been completed in Hankow for entertaining the visiting British Boxer Fund Delegation headed by Lord Wellingdon. The party will be entertained at tea on Sunday, dinner on Monday, tiffin on Wednesday and another dinner on Thursday. They will arrive here this afternoon on the s. s. *Ta-tung*, and will be met by H. Goffe, British Consul-Geueral. A tea party will be given at the British Consulate on Sunday afternoon. The delegation will afterwards visit Hunan before returning to Shanghai.

Hankow, April 3, 1926.

Joseph B. Graham was elected vice-president in charge of manufacturing and A. Z. Mitchell, vice-president in charge of purchases, at a meeting of the directors of Dodge Brothers, Inc., held in New York recently. J. B. Graham is president of Graham Brothers, truck manufacturers, now a division of Dodge Brothers, Inc. His election to a vice presidency follows the recent election of his brothers Robert C., as vice-president and general sales manager and Ray A. Graham.

A PRACTICAL PEACE PLAN FOR CHINA

This is the prize essay which points the way to a peaceful unification of China.

This Essay was awarded the prize of Mex. $1,000 by The China Weekly Review in association with a number of public spirited Chinese and foreign citizens several months ago. There is an introduction by Sir Robert Hu Tung.

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News from South China

The newly created Bureau of Public Lands in Kwangtung, to have the charge of the land tax on private property and the administration of public lands, has opened business, and among the first steps will be the nationalization of the sandfields in Heungshan and Shuntak districts, formerly a property interests of the district and the local governments only.

March 29 being the 15th anniversary of the first battle of the Republican Revolution in Canton, in which some 72 heroes gave their lives for the cause of democracy, the Canton Government and the public will observe the day as a public holiday; and on the Yellow Flowers Hill, where the 72 honored dead have been buried, a memorial service will be held. The Canton Boy Scouts have been asked to furnish the guard of honor for the service.

The members of the Chinese staff of the Chinese Maritime Customs in Canton have also organized a union, and their temporary headquarters will be located at the Kuomintang Club in Saae Wing Hong, Canton.

The Kuomintang Labor Conference have approved of the demands of the sailors on the inland junks and launches for higher wages and better service conditions from their employers. Should they fail to receive what they want, they intend to go on strike, and the Kuomintang is asking the students, soldiers, farmers, and workers to go to the aid of the sailors, in case of necessity. An inland shipping strike will tie up all river traffic and stop internal trade, as in Kwangtung water is so far the most available form of communication.

To facilitate the many coastal and ocean liners arriving at Whampoa, sometimes as many as 15 daily, but not entering Canton where the Harbor Office is located, the Canton Harbor Master will station an assistant there.

By putting an embargo on the export of native sugar from Eastern Kwangtung as a punishment on the sugar producers for failing to comply with the new Kuomintang surtax on this product, the people of Swatow and vicinity are condemning the Kuomintang of the shortsighted policy, a step destroying an important industry to the farmers of these districts but encouraging foreign import. Since the taxing out of the native sugar industry by the Kuomintang, import of foreign sugar has jumped from a little over 6,000,000 to 36,000,000 piculs, much of these through the port of Swatow, each year, according to the merchants in Eastern Kwangtung. Before Kuomintang interference with the farmers, the natives around Swatow shipped out some 190,000 tons of brown and white cane-sugar yearly. In 1922, when there was hardly any Kuomintang influence in Eastern Kwangtung, brown and white sugar export through Swatow amounted to 958,345 piculs in all, bringing in a worth of some Hk, Tls. 4,183,657.

For a time in the Kityang, Chaoyang, Chao-an, Poling, and Chinghoi districts alone, there were as many as 120,000 *mows* of land devoted to cane growing and some 2,000 families owning sugar mills of the old style, in which some 10 to 20 persons worked with the aid of water buffalo power and stone mills. These districts alone used to produce about 1,450,000 piculs of sugar for local and nearby consumption and some forexport, but on account of lack of encouragement and of political interference, the production has fallen to the volume of but about 400,000 piculs annually the last two years. Aside from the five above mentioned, Waichow also produces sugar.

To show the marked drop in the native sugar trade by way of Swatow, the Eastern Kwangtung merchants have called the attention of the Kuomintang leaders to the following figures regarding export:

Year	White Sugar	Value in Hk. Tls.	Brown	Value in Hk. Tls
1918	86,487 Piculs	549,195	422,231 Piculs	2,012,990
1919	52,398	387,745	180,804	1,005,271
1920	26,341	301,092	428,741	3,661,499
1921	120,831	1208,312	692,835	5,542,681
1922	125 099	850,673	833,246	3,332,984
1923	77,059	570,310	655,993	2,951,968

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Men and Events

Mrs. Arthus Grundy and her daughter, Dixie Jean, are leaving Shanghai soon for a short visit to the United States.

H. J. Gale, of the Amos Bird Company, is at present on a three weeks' business trip to Anhwei.

Carl Foss, Far Eastern manager of the Victor X-Ray Corporation, has returned to Shanghai after a six weeks' trip to Japan and North China.

The Shanghai Short Story Club met last Monday night at the home of Mr. and Mrs. Verne Dyson. Stories were read by Miss Muriel Wood, Carlton Lacy and Mrs. Cummings.

Miss Jeanette Robin, daughter of Mrs. E. Robin, left Shanghai last Tuesday on the *Tenyo Maru* for a six months' visit to the United States.

James Bell, of the British-American Tobacco Co., returned last Monday to Pung-tu after spending the Easter holidays with friends in Shanghai. He stopped at the American Club.

Among those who spent their Easter holidays in Hangchow were E. S. Cunningham, American Consul-General, and Mrs. Cunningham. They were accompanied by Mr. and Mrs. R. C. Patterson, Jr.

Howard Bucknell, Jr., American Consul and Senior American Assesor at the Mixed Court, is leaving Shanghai shortly for a holiday in America. Mrs. Bucknell preceded Mr. Bucknell by a month.

The various nationalities represented in the Shanghai Rowing Club are out for daily practice now, preparing for Spring Regetta which will be held probably the last week-end in May at Henli.

Mrs. Leonard G. Husar, the wife of the United States District Attroney, who before her marriage to Mr. Husar last autumn was Miss Mary Jo Grub, left Shanghai last Thursday, April 1, for a visit to her relatives in the United States.

The class mates of Ana Yung-kwai of the Sheffield Scientific School of Yale University have voted him the most brilliant man of their class and one of the two who are most likly to succeed in life. He is the son of the Consullor of the Chinese Legation at Washington.

B. J. Koci, a Shanghai sculptor, will open in the near future a collective exhibition of his works in black, brown, white and green marble studies in plastre, clay and terra-cotta. The works to be exhibited represent the results of five years' work in China.

The Japanese Government has decided to take measures in accordance with the provisions of the International Labor Office at Geneva concerning the development of facilities for the utilization of workers' spare time, says a report in a recent number of the bureau's publication.

Judge Milton D. Purdy, Judge of the United States Court for China, and Mrs. Purdy, arrived back in Shanghai last Thursday, April 1, on the *President Madison* after spending two months in Manila and the southern islands of the Philippines. There is a large motion calander before the United States Court and Judge Purdy expects to be quite busy for several weeks.

At the annual meeting of the Tientsin Rotary Club the following officers were elected for the present year: F. S. Williams, president; the Hon. M. T. Liang, vice-president; R. A. Williams, (re-elected) hon. secretary; R. H. Rowlatt (re-elected) hon. treasurer; committee, Messrs. Grooms Woodhead, H. K. Chang, R. A. Williams, F. S. Williams M. T. Liang, and A. F. Algie.

A farewell dinner attended by a number of leading British and Chinese business men was given at the Union Club of China on Tuesday evening, April 6 to Mr. A. Brooke-Smith, retiring head of Jardine, Matheson and Company, who is leaving shortly for England where he will make his future home. The dinner was given by Mr. Pan Ching-poo, general comprador of the Jardine organizations.

The directors of the British-American Tobacco Company, paid on March 31 an interim dividend of 10d per share for the year 1925-26 on the Ordinary shares, free of British tax at 3s 3¼d in the £. This distribution, which is equal to 4 1-6% on the Ordinary capital of £16,071,-445, is the usual quarterly payment. The company's year ends in September, and for 1924-25 the distribution was brought up to 27 11-12 per cent. by a final payment of 11.14 per cent.

Another historical landmark is to be sacrificed to the financial desires of the Peking authorities, it being reported that the old earth wall which runs around the city on the east and north is to be sold. An earth mound twenty feet high in some places, this wall is known to foreigners as the "Marco Polo Wall" and marks the former boundaries of the city as recorded by that traveller. It is estimated that $700,000 can be got from the sale of earth, and bids are reported to be asked for from prospective buyers.

Mr. J. Harold Dollar, Vice-President and General Manager of the Dollar shipping and lumber interests in the Far East, has practically recovered from his recent illness and is soon expected to leave the hospital where he has been confined for several weeks. Mr. Dollar became ill of intestinal trouble soon after his arrival in America last summer. It finally became necessary for him to go to a hospital in San Francisco where he was operated on early this year. For a time it was thought that he would not recover, but messages received by friends in Shanghai recently have told of his rapid recovery. It is not known when Mr. Dollar will return to the Far East.

Sir Arthur Yapp, national secretary of the English Y. M. C. A., left London on Feb. 25, for the Far East. His work begins at Bombay. Conferences have been arranged in Calcutta, then he goes to Rangoon. After three or four weeks in Singapore, he will visit Hongkong and Shanghai. About a fortnight will be spent in Japan, where the Y. M. C. A., movement is very strong. The object of the tour is to study conditions on the spot, to find out what youth in the different countries is thinking and to get into personal touch with people and problems. In China he will discuss with friends the proposal to send to England two or three of the Chinese secretaries of local branches for an extended course at Oxford or Cambridge Universities.

Mr. G. H. Stitt, manager of the Hongkong and Shanghai Banking Corporation, the largest institution on its kind in the Far East, is resigning from his post and will return home within the next two or three months, according to information obtained recently. Mr. Stitt has been prominent in the banking and business circles of the Far East for the past score of years and is recognized as one of the most commanding figures in the Eastern financial world. For some time past he has been outstanding in the civic and commercial progress of Shanghai and he is recognized as one of the most eminent authorities on problems and conditions in China. Mr. Stitt is president of the St. Patrick's Society and is one of the most ardent devotees of the race track in the city. He owns many fine horses and has been a leader in promoting Shanghai racing.

Word has been received by the officers of the American Bible Society that General Chang Tze-kiang, one of General Feng's leading officers, has recently purchased from the Society's China agency 8,000 copies of the Christian Scriptures for distribution among the officers in his army. This is reported to be the largest orders for Chinese Bibles and Testaments ever received by the China agency. It is a most significant event in view of the anti-foreign and anti-Christian sentiment in China today. It indicates that apparently Chinese oppposition is not against the Bible. These Bibles and Testaments are to be furnished in full leather and half-leather, gilt binding, and are to contain at the request of Gen. Chang a personally inscribed presentation statement written by the General himself. The cost of the order will be about 6,000 Chinese dollars ($3,000 American).——*Missions*, New York.

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Pursuant to an order of said Court, notice is hereby given to all persons having claims against the estate of Alice Bush, deceased, to present the same with vouchers to the undersigned on or before October 3, 1926, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

WILLIAM VAN BUSKIRK,
Administrator.
11, Whangpoo Road,
Shanghai, China.

April 3, 1925.

New Book and Publications

China's Diplomacy

Studies in Chinese Diplomatic History, by Ching-Lin Hsia, Ph.D.—Commercial Press, Shanghai. Rev. Ed. 1925 ($3.00).

At the opening of the present century, Secretary Hays, with his usual shrewd foresight, declared: "Whoever understands that mighty Empire (China)—socially, politically, economically, religiously—holds the key to world politics for the next five centuries." The recent development of events in the Far East has, for better or for worse, tended to prove the correctness of the view of that great statesman. On the one hand, the South African resources were largely exhausted and the European Powers, threatened with the perils of over-population and kindled by the keen desire of competition, have naturally turned their exploitation army to the Far East. Lord Napier's message to Viscount Palmerston in 1834 which read: "Looking now at the utter imbecility of the government and the favorable disposition of the people, I cannot for a moment suppose that, in treating with such a nation, His Majesty's government will be ruled by the ordinary forms prescribed among people..... Say to the emperor. 'Adopt this or abide the consequences' and it is done. Now abiding consequences immediately presupposes or anticipates all the horrors of a bloody war against a defenceless people..... Such an undertaking would be worthy of the greatness and the power of England, as well from its disinterestedness towards other nations as from the brilliant consequence which must naturally ensue!", may be accepted as a fair description of the ideas of the statesmen of that period. On the other hand, a national consciousness is quickly felt among the Chinese people and the indignant cries for the abolition of the unequal treaties are evidences of this agitation. Among the enlightened Chinese, the universal resentment against the imperialistic foreigners is apparent. With this conflict, the "brilliant consequences which must naturally ensue" are quite different from those anticipated by Lord Napier; the Chinese Controversy has become the yeast of international ferment. Far-sighted men, both Chinese and foreign, are now actively engaged in trying to untie this complicated knot; but the situation is too complex and involved to be settled by diplomatic negotiations or theoretical reasoning. We must investigate the origin, the nature, and the development of this dangerous controversy and, with the light thrown by this investigation, propose to find a just and workable adjustment. It is in this respect that a diplomatic history is most valuable, and it is also with this view, I presume, that Dr. Hsia has written his "Studies in Chinese Diplomatic History."

The book opens with an introduction and is divided into nine chapters in the following order: Consular Jurisdiction —Exterritoriality; Concessions and Settlements; Historical Introduction to Leased Territories and Spheres of Interest; Leased Territories; Spheres of Influence or Interest; Open Door, Territorial Integrity and Administrative Entity; Foreign Troops and Police; Foreign Post Offices and Wireless and Telegraph Installations; and Tariff Autonomy. A great number of reference books has been used, but there is no lacking of originality. The references and quotations illustrate the skill of the author in his discriminative selection. In every subject the author always traced back to the background and led his reader gradually down to the present stage of its development. No important issue is left out and yet the history is a simple and plain one without any colorful decoration or excursive interruption. Between the lines the reader can see distinctly the working of a critical and impartial mind which aims at accuracy rather than the propaganda of personal views. In short, the reviewer finds in this book a comprehensive and skillful treatment of the complex and complicated subject.

But, after perusing the book with interest, a thoughtful reader is apt to emerge out with disappointment. First, it is to be regretted that a Chinese version of this book should have been neglected. The ignorance and consequently neglect of the greater portion of the Chinese populace in regard to the international relations of our country is a most deplorable fact. They should have been given every opportunity and encouragement to get acquainted with the real state of things. A book containing such useful materials as Dr. Hsia's is more than they can afford to miss. There are some Chinese books on this subject, but most of them are merely mechanical collections of diplomatic documents which, if of great value to the students of international law

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are sorely lacking in interest and meaning to the general mass; and its with the needs of this general mass in mind that the reviewer finds his hope unfulfilled.

Secondly, the reviewer is bitterly disappointed to find that Dr. Hsia should confine himself to the presentment of the problem without giving his readers a view of his own solution. The expectation of the reviewer is of course very unreasonable inasmuch as the author has expressly said in his preface that "it is a book of 'studies' so far as I have attempted to state the problems and examine them." Nevertheless, the clever handling of the problem promises an equally able solution of it and when the promise is unrealized, a bitter disappointment will be felt. The task seems to be half done only and one would naturally be very keen in expecting its completion. But this defect rests with the scope and not the contents and therefore should be called the disappointment of an extravagent expectation.

In conclusion the reviewer seizes the opportunity to speak aside about his personal conviction. He does not share the opinion of his brethren who accuse the Powers of insincerity. As a matter of fact, the speedy and just solution of this menacing problem is a matter of international concern and the Powers may well be trusted to know when their own interests are at stake. The Chinese people should try to facilitate and help in the task rather than profitlessly disparage and suspect the motives of others. Nor should the foreigners forget that mere sincerity and goodwill cannot miraculously settle the controversy; negative virtues should be coupled with wisdom and prudence. To all who have the welfare of humanity in mind, the writer requests them to join in the experiment of the old saying—honesty is the best policy.

Chih-Tse University, Kiangwan Road.
Feb. 8, 1926. Wm. Tim Kao.

Commercial Year-Book of the Soviet Union, 1925. Compiled and edited by Louis Segal and A. A. Santalov. B. W. Huebsch, New York, 1925.

The close relation between economics and politics in Russia under the Soviet makes this year-book of interest not only to business men interested in the trading possibilities of the country, but also to students of politics who are interested in its form of government. The editors have included in it a great mass of statistics bearing on the domestic resources of the country, its industrial and agricultural productivity, foreign and domestic trade, financial condition of the government together with the currency system, and the conditions under which foreign capitalists may do business in the country. A special effort is made to show that legal safeguards exist for the protection of concessionaires having agreements with the government. One chapter is given over to Labor and another to Education, but little mention is made of the fact that the the reforms outlined still exist for the most part on paper.

The student of politics will find in the book the full text of the constitution of July 6, 1923, a general survey and description of the component elements of the Soviet Union, and a list of treaties and agreements negotiated between the Soviet and foreign governments. The editors have apparently tried to maintain an attitude of neutrality as regards the merits of the Soviet system, but the causes of the lower productivity of the country in recent years by comparison with 1913 are always limited to the world war, intervention, the civil war, the blockade, and the famines. The impressive tables of figures provide abundant material to fortify the prejudices of either Soviet friends or Soviet enemies.

Robt. T. Pollard.

St. John's University,
March 16, 1926.

"The Legend of the Willow Pattern Plate"

A most fascinating and delightful romance of Old China was presented in the British-American Tobacco Company's latest motion picture, "The Legend of the Willow Pattern Plate," of which an advance showing was held Thursday afternoon, April 8, at the Carlton Theater. The Chinese have for ages gone by been adept in the art of pottery making and are fond of depicting flowers or stories on the clay. Hence the legend of the willow pattern plate, which outlines the life adventure of two lovers.

The scenery in the picture is beautiful and the actors acquit themselves very creditably. The picture was pronounced a decided success by all those who were in attendence. Briefly, the story is as follows:

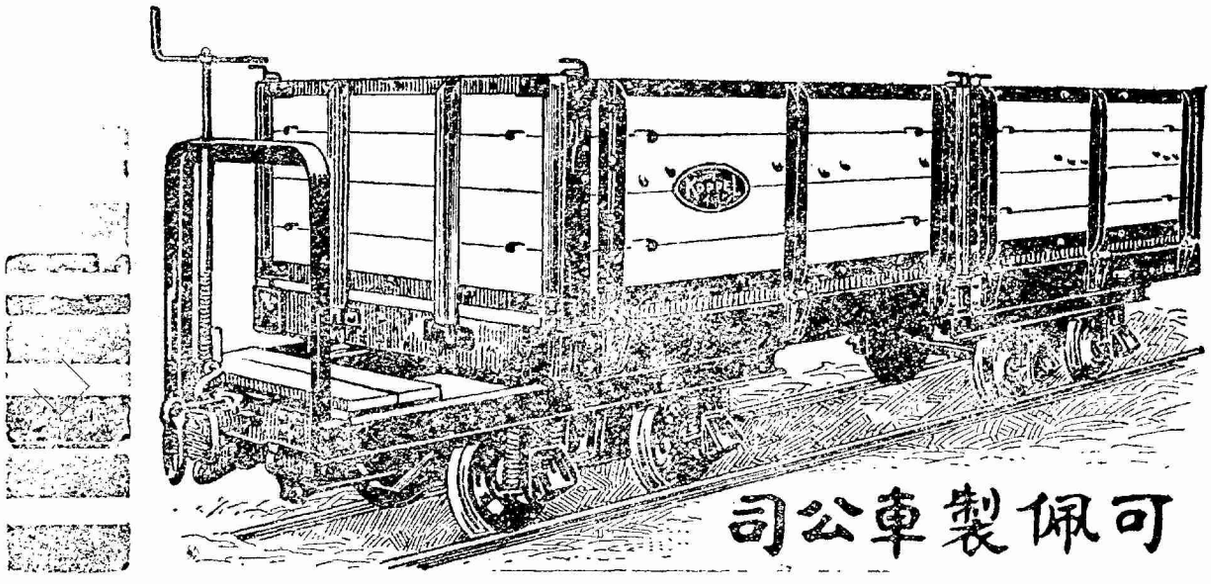
A mandarin had an only daughter, Kin Chi, whom he betrothed to Ta Jin, a despicable rogue, whose very presence was pollution to the girl's beauty. Kin Chi in the meantime lost her heart to her father's secretary—and it being a case of mutual understanding, they secretly vowed, it would be better to die than be separated.

They had secret meetings which resulted in the lover being driven from the house. They were finally married and lived on an island until the irate father discovered their love-nest. He sent soldiers and the lover was killed. The wife sets fire to their home and burns in the flames.

The good fairies, it is said, caused the spirits of the lovers to take the form of two immortal doves, and these still float through the world side by side, the emblems of a love, which death itself could not destroy.

The picture will be presented at the Calton Theater on April 12, 13, and 14th.

INDUSTRIAL RAILWAYS



KOPPEL INDUSTRIAL CAR & EQUIPMENT CO.
No. 2 Canton Road, Shanghai, C. P. O. Box 743
MANILA ——— *BRANCHES* ——— ILOILO

36-166

The Week in the Far East

With the combined Chihli and Shantung troops within six miles of Peking and holding their own against the Kuominchun forces and with a panic-stricken populace caused by the Fengtien air raids, it only appears to be a matter of days before the entire city will be taken over by the Mukden faction. Although the Kuominchun have announced their intention of defending the Capital to the bitter end, observers state that strength is lacking as well as the morale of the soldiers. The air raids upon Peking began on the morning of April 3, when ten loads of bombs were dropped, five of them exploding and five proving to be duds. No loss of live was reported after the first raid but considerable damage was done to buildings. The next day the raiders appeared again, and, after hovering above the Capital for a while, apparently trying to locate the Kuominchun headquarters, let loose several more loads of bombs. An elderly Chinese women was killed and a young Chinese girl who was riding in her bridal chair on her way to her wedding, was also reported killed. Immediate appeals were made to the Diplomatic Corps that an effort be made to stop the bombing of the Capital, but it was stated on reliable authority that the ministers of the powers do not consider themselves in position to compell the inviolability of Peking as a whole. It appears that the raiding machines are of a commercial type converted into bomb-carrying machines. It is interesting to note that only a week previous to the bombing of Peking a proposal of the Diplomatic Corps asking for the neutralizing of the Peking area was narrowly defeated through the strong opposition of one minister. It is well that the proposal was defeated, says The China Press (Shanghai) because had the Diplomatic Corps agreed to the suggestion and made the proposal, the Chinese Government, under pressure from the Kuominchun, would have immediately agreed. Then it would have been up to the Powers to enforce respect for the neutral area, otherwise "defending it by force of arms." Thus the Powers would have been placed in the invidious position of protecting the Kuominchun against the Fengtienites and Wu Pei-fuites who are trying to drive the "People's Army" out of the Capital.

Will Wu Turn Against Chang?

Aside from a few small skirmishes near Peking, there has not been any notable war developments in the north. This, however, does not mean that the present civil war is about over. Many maintain that the peace negotiations, although reported unsuccessful, are still going on and may yet result in something definite. There are persistent rumors of an estrangement between Marshals Chang Tso-lin and Wu Pei-fu, though this is unconfirmed. Indications seem to point out the fact that Marshal Chang Tso-lin is more intent upon occupying Peking than Marshal Wu Pei-fu. The peace proposals of Wang Shih-chen and other Peking notables are unacceptable to the Fengtien faction. General Yang Yu-ting, the Fengtien chief-of-staff, is in favor of carrying the war toward Kalgan and Mongolia, and attacking Feng Yu-hsiang there. Chang Tso-lin still lends a ready ear to his chief-of-staff, and the latter's plans to wage a war to a finish with the Kuominchun is favored by Chang, it is reported. The Kuominchun, on the other hand, are preparing for a war to a finish. According to the *North China Star* (Tientsin) the Capital is surrounded by crack regiments of the 1st Kuominchun army. Should the Fengtien-Shantung armies succeed in capturing Peking the 1st Kuominchun will retire to their stronghold in Kalgan and the northwest where they are not liable to attack from their enemies. Fresh rumors are rife of closer understandings between Marshal Wu Pei-fu and the Kuominchun to the effect that Wu has guaranteed not to enter the Capital. General Li Ching-lin, the former Tupan of Chihli, who was ousted by Marshal Feng Yu-hsiang, and who had been doing good work for the Fengtien faction in the present struggle, is reported to have established closer relations with Marshal Wu Pei-fu with a view to rising in revolt against Marshal Chang, in case the situation offers such an opportunity. Li's hopes at being rewarded for his fighting proclivities with his old post of Tupan of Chihli are fast dwindling. It now appears that General Chang Chung-chang, the present Tupan of Shantung, is slated for the Chihli post or the Metropolitan District. Other reports favor General Pi Shu-chen, known as the only general in China who is also an admiral. In either case Li Ching-lin is left out, which may be the cause of his reported leanings to the Wu Pei-fu camp, to strike against Fengtien if the opportunity arises. There are no doubt possibilities of friction over the Chihli Tupanship and there is no one who possesses the requisite influence or authority to settle the nomination if the various claimants do not agree. The outlook of the present military situation and the possibilities of a lasting peace are discussed by the ***Peking & Tientsin Times*** **(Tientsin) in the following words:**

Chang Will Be Satisfied With Chihli

"Present indications are that Marshal Chang Tso-lin does not intend to launch his armies against the Capital. General Chang Hsueh-liang, his eldest son, who was at Tongshan a couple of days ago, is now reported to have returned to Mukden, ostensibly to participate in his father's birthday celebrations. It may be doubted, however, whether any considerable Manchurian forces will move on Tientsin, unless the Kuominchun attempt to hold the Capital, and combined operations against them becomes necessary. The Mukden Warlord will probably allow his former subordinates and Marshal Wu Pei-fu, to settle matters within the wall among themselves, and concentrate his energies upon the recovery of the extra-mural territory of Chihli.

"There has been a revival of peacetalk during the past few days, and circumstantial accounts of the "terms" demanded by various militarists are already in circulation. Temporary peace could almost certainly be secured by an arrangement that permitted the Kuominchun forces to withdraw to Kalgan and beyond. But it would only, we fancy, be a temporary peace. Marshal Feng, or whoever succeeds him, would not be able for long to maintain a large army from the resources of the districts under their control, however ingenious their tax-collectors might be. Holding Kalgan and the Nankou Pass, they would be in a position to take advantage immediately of any dissensions between the Chihli and Fengtien militarists and make another swoop upon Peking. Moreover, they could not tolerate the continued menace on their main line of communications, of a Shansi army, which could effectually isolate them by the destruction of the 1,800 ft. bridge at Tatunghsien.

"With the exception of the First Kuominchun, which appears to have been withdrawn almost intact, and in good order, the People's Armies have virtually ceased to exist. Stray units of the Second and Third Kuominchun armies may be extricated before Peking is abandoned, but these are likely to prove more of a liability than an asset. The two most formidable armies remaining in North China are the Manchurian Armies under Marshal Chang, and the First Kuominchun. What forces are at present controlled by Li Ching-lin, Chang Tsung-chang, Wu Pei-fu, and Chin Yun-ao, we do not know, but it may be doubted whether any of them can be regarded as well-organized, properly equipped, military units. The absence of any supreme command of these allied forces will make administrative reorganization a very difficult problem. The Manchurian and ex-Manchurian leaders are understood to favor the retention in office of Marshal Tuan. Wu Pei-fu, on the other hand is still reported to be hostile to him. And even if there were no difference of opinion regarding Marshal Tuan, the question of the Premiership, and the new Cabinet seems likely to cause much friction It is easier to maintain military alliances when there is fighting to be done than when it comes to a division of the spoils, political and other."

The Extraterritorial Commission is delaying its departure from Peking for its tour of the provinces because of the suspension of train services between Peking and Tientsin. It is planned to proceed to Shanghai as soon as possible this month by way of Tientsin. At the last meeting of the Commission the Chinese delegate made an explanation as to the regulations concerning Chinese judicial courts and prisons.

China Negotiates Commercial Pact With Poland

Negotiations have been opened by Poland for the conclusion of a commercial treaty with China. M. Pinder, who is well known and highly esteemed in China, has been named as her-delegate plenipotentiary for this purpose. An open market in the Far East for the products of Lodz and Bielostock is particularly interesting to Poland.

The prospects of this treaty being concluded is viewed with satisfaction in Chinese circles, by reason of the increasing prominence which Poland is attaining in international affairs. M. Pinder was received by Marshal Chang Tso-lin, and is now visiting the large Polish colony in Manchuria.

GENERAL NEWS SUMMARY

April 3—French Government is again beaten. when Chamber of Deputies defeat oil monopoly bill——Senator Borah in a fiery speech upholds U.S. debt policy toward England——Germany accepts League of Nations invitation to participate in deliberations to enlarge the Council of the League——Japan's largest submarine, 2,000 tons, is launched at Tokyo——England declares her readiness to participate in any international steps towards disarmament——Fengtien flyers raid Peking, dropping ten bombs of which five exploded——Discovery of an alleged syndicate of arms smugglers is reported from Japan.

(*Continued on page 158*)

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price March 25th.	Sale Price April 1st.	Approx. Yield to Maturity April 1st.
Szecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	101	100	8.00
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	97	97	7.80
Republic of Chile S. F. Loan	7	Nov. 1, 1942	100¼	100½	6.95
Argentine Government Ser. "A".....	6	Sept. 1, 1957	99¾	99	6.05
German Government S. F. Loan.....	7	Oct. 15, 1949	102	101⅜	6.85
Kingdom of Norway S. F. Loan.....	6	Aug. 15, 1943	101½	101	5.90
Deutsche Renten Bank 1st Lien Farm Loan	7%	Sept. 15, 1950	96½	95¾	7.40
Can. Pac. R. R. Co. Debenture Stock	4	Perpetual	83	82	4.88
Belgian Government S. F. Loan.....	6	Jan. 1, 1955	85⅝	82¼	7.50
Andes Copper Mining Co. Debentures.....	7	Jan. 1, 1943	99½	98¼	7.20
German General Electric Co. S. F. Loan.....	7	Jan. 15, 1945	97½	96½	7.35
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan.....	7	Feb. 1, 1945	95	93½	7.65
Cuban Northern RR. Co. 1st Mtge. Loan.....	6	July 1, 1966	96¼	96	6.25
Dodge Brothers Inc. Debentures	6	May 1, 1940	95	93¼	6.75
Republic of Haiti	6	Oct. 1, 1952	98	97⅞	6.15
Czecho Slovak Government Ext. S.F. Loan...	7½	Nov. 1, 1945	98	96½	7.85
Kingdon of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	94½	94½	7.50

The National City Company International Bank Building No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

April 4—The suggestion that arms were being sent from Western Powers to China to avoid their being wasted, was made in the House of Commons——Religious riots have broken out in Calcutta, but the authorities have the situation well in hand——Syrian and Arab attack on the Iraq frontier were repulsed by British armored cars and aeroplanes——It is reported that Japan is considering exercising her rights to commercial leases in Manchuria in order to maintain her special position there——The French Senate has adopted the government's financial proposals in a slightly amended form——There are persistent rumors that negotiations are progressing between Marshal Wu Pei-fu and the Kuominchun for the purpose of effecting an arrangement separate from Chang Tso-lin.

April 5—The Argentine Congress has failed to act upon a presidential recommendation with reference to adherence to the League of Nations——President Coolidge is opposed to America participating in the proposed conference at Geneva on America's reservations regarding the World Court——The Danish avaitor, Lieut. Botved, has arrived in Bangkok: he is shortly expected to arrive in Shanghai ——There has been more fighting in the religious riots which have broken out in Calcutta——Princess Victoria is reported to be improving in her illness——Another bombing raid was carried out on Peking by the Fengtien aircraft yesterday——There are reports that the intrigue for the removal of Marshal Tuan Chi-jui from the Chief Executive are almost completed.

April 6—Three Spanish aviators in an attempt to fly from Spain to the Philippines have arrived at Algiers——Major Franco, who has returned from his Trans-Atlantic flight, was given a hearty reception in Spain——The military have a quieting effect on the Calcutta religious riots——In an investigation into the effects of the prohibition law the "wets" are holding the floor this week——Queen Victoria of Sweden is reported seriously ill——England grants half million sterling to aid sale of empire products——Diplomatic Corps at Peking make strong protest against the bombing of the Capital by the "Allied" machines——Japan contemplates separate bureau for colonial affairs.

Shanghai Exchange for Week Ending Wednesday, April 7, 1926.

By Maitland, Fearon and Brand

Exchange:—The price of Bar Silver in London has declined steadily during the week, to-days quotatione of 29⅞d., ready and 29 15/16d. two months forward, are 1/16d. below those ruling this day last week. The official T/T rate on London has followed the course of Silver, and at 2/11¼d. is ⅛d. below last Wednesday's quotation. Owing to Easter and the holidays incident thereupon, the Exchange market has only been open three days during the week, but in that time speculators have been active, and have bought freely, chiefly Yen it is estimated that during the last two days they have bought approximately Yen 4,000,000. The effect of this has been to weaken the market considerably; there has also been a fair demand from Merchants with very little genuine cover offering in the from of export paper. The market, although closing quiet, has an easy undertone and with our plentiful supply of silver and weak advices from Home centres we do not look for much improvement in exchange rates at present. The following quotations are available at the close of today's market:—T/T London 2/1 1¼d., New York 71½, Japan 64⅝. 4 m/s export paper Sterling 3/6d., G$ 73.

Our stocks of Silver are reported as follows:—

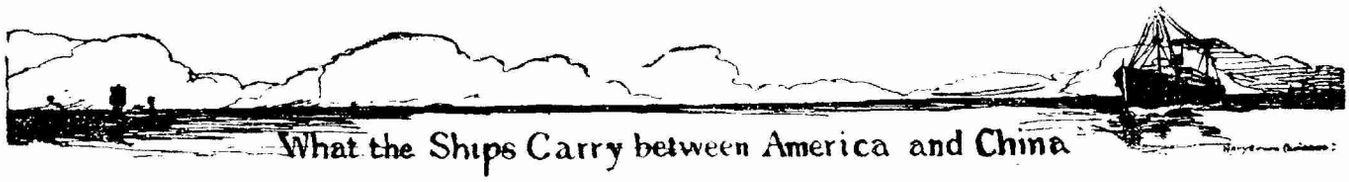
Sycee and Bar Silver..... .....Tls 66,859,000 an increase of Tls. 677,000.

Chinese and Mexican Dollars.....$ 68,670,000 an increase of $ 1,750,000.

Estimated value Tls. 116,301,000 as against Tls. 102,909,000 held at this time last year.

	Aver ge rates for March	Thurs, Apr. 1	Fri. Apr 2	Satur. Apr. 2	Monday Apr. 5	Thrs. April 6	Wednesday April 7
Bk's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T ond. n	2/11 962	2/11⅝				2/11½	2/11¼
O/Dfits, ,,	—	2/11 15/16				2/11 13/16	2/11 15/16
4m/s ,,	—	2/11⅞				2/11¾	2/11½
T/T India	197 852	198¼				198	197½
T/T France	2,025.370	2065				2055	2050
T/T N. Y.	72 620	72¼	BANK HOLIDAY	BANK HOLIDAY	BANK HOLIDAY	72	71½
T/T Hong	75.986	77¼				77¾	77⅝
T/T Japan	62.759	64				64¼	61⅞
T/T Batavia	180.185	179¼				178½	177⅞
T/T Straits	80 662	79				79¼	79⅛
Bk's buying rates 4m/s B/L Cred. D/A	3/0 826	3/0⅝				3 0½	3/0¼
4m/s ,, D/P	—	3/0⅞				3/0⅝	3/0½
4m/s ,, D/A	3/1.201	3/1				3/1⅞	3/0⅝
4m/s B/F. C., D/A, D/P	2,110.570	2150				2140	2140
4m/s N. Y. Lc.	74.444	74⅛				73⅝	73¾
4m/s ,, Does	—	74⅜				74⅛	73½

Based on Daily Official quotation higher rate taken on rising Market, lower when falling. Bullion.	April 1	April 2	April 3	April 5	April 6	April 7
*London Price of Bar Silver per oz (English Standard 925 touch) Pence	30⅛	HOLIDAY	HOLIDAY	HOLIDAY	30	29⅞
**N. Y. Price of Bar Silver per oz (Pure)	G.$.65⅜				G.$.65⅜	G.$.65⅛
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch).....	312⁰⁰				315⁰⁰	315⁷⁰
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	111⁰⁰				111⁰⁰	111⁰⁰
Shanghai Mexican Dollars per $100...	71.60				71.675	71.65
Native Bank Rate of Interest (Call-money)	3½%				4½%	3%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						



What the Ships Carry between America and China

Return of the Shanghai Customs

By: Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls., Mar. Customs Rate Tls. 1.22 equal Gold $1

S. S. President Grant, March 5. from U. S. A.

Sheetings, White, over 41 in. wide	Yds.	1,688
Cottons, Yarn-dyed	,,	1,796
,, Piece Goods, Unclassed	,,	387
Wool & Cotton Alpacas	,,	1,722
Woolen Piece Goods Unclassed	,,	746
Apples, Fresh	Pls.	907
Herrings, Salt	,,	9,604
Flour, Wheat	,,	1,691
Newspapers, Old	,,	500
Paper Wrapping	,,	1,385
Shrimps, Dried	,,	64
Tobacco, Leaf	,,	106
Cigarettes	Mille	150
Motor-cars	Pcs.	19

S.S. Empress of Asia, March 6.

To Philadelphia.

Hair, Horse	Pls.	75
Skins, Goat, Untanned	,,	274
To Boston.		
Skins, Goat, Untanned	,,	280
To Scranton.		
Silk, Raw, Filature:		
Wild, other Ports Bls. 40	Pls.	40.57
To Chicago.		
Silk, Raw, Filature:		
Wild, other Ports Bls. 105	,,	106.31
To Wilmington.		
Skins, Goat, Untanned.	,,	829
To New York.		
Silk, Raw, Re-reeled:		
White, other Ports, Bls. 20	,,	20.45
Silk, Raw, Steam Filature:		
White, S'hai Bls. 55	,,	55.01
,, other Ports ,, 110	,,	88.00
Silk, Raw, Filature:		
White, other Ports, Bls. 190	,,	192.72
Silk, Refuse:		
Other Ports .. Bls. 12	Pls.	41.16
Silk Piece Goods	,,	0.38
Silk Pongees. Shantung	,,	8.70
Cotton Waste	,,	101
Hair, Horse Tail	,,	21
Hair, Horse	,,	21
Intestines, Pigs', Salted.	,,	122
,, Sheep's,	,,	19
Walnuts, Kernels	,,	206
Skins, Lamb	Pcs.	7,171

S. S. Kendal Castle, March 8. from U. S. A.

Glucose	Pls.	53
Grease	,,	517
Leadfoil and Tinfoil	,,	1,108
Starch	,,	330
Sulphur, Black	,,	221
Tobacco, Leaf	,,	7,114
Wax, Paraffin	,,	3,361
Oil, Lubricating	Galls.	76,743
,, Transformer	,,	5,000
Typewriters	Pcs.	64

S. S. Teucer, March 8. from U. S. A.

Leadfoil and Tinfoil	Pls.	572
Tobacco, Leaf	,,	6,097
,, Prepared	,,	12

S.S. Empress of Canada, March 8. from U. S. A.

Flour, Wheat	Pls.	735

S. S. President Monroe, March 11.

To Philadelphia.

Skins, Goat, Untanned	Pls.	261
To Boston.		
Silk, Refuse:		
Shanghai ... Bls. 17	Pls.	54.49
Other Ports.. ,, 249	,,	413.17
Intestines, Pigs', Salted	,,	25
,, Sheep's,	,,	11
Nutgalls	,,	420
Soy	,,	52
Skins, Goat, Untanned	,,	2,233
To Providence.		
Silk Refuse:		
Other Ports Bls. 120	,,	150
To New York.		
Silk Piece Goods	Pls.	0.86
Antimony, Crude	,,	840
Antimony, Oxide	,,	1,092
,, Regulus	,,	420
Brassware	,,	32
Bristles	,,	36
Hair, Human	,,	15
,, Horse	,,	24
Hides, Buffalo	,,	519
Nutgalls	,,	840
Seeds, Melon	,,	10
Skins, Goat, Untanned	,,	713
Turnips, Salted	,,	39
Tungsten Ore	,,	210
Hats, Rush	Pcs.	22,350
Carpets	Hk. Tls.	2,748

S. S. Wheatland Montana March 11. from U. S. A.

Herrings, Salt	Pls.	1,450
Iron Sheets	Pls.	901
Tinned Plates, Plain	,,	9,894
Paper, Unclassed	,,	1,231
Tobacco, Leaf	,,	7,262
,, Stalk	,,	288
Pigs	Pcs.	3
Oil, Lubricating, Mineral	Galls	26,261
Turpentine, Vegetable	Galls.	92

S.S. Taiyo Maru, March 13.

To San Francisco.

Silk Piece Goods	Pls.	2.66
Tea, Green:		
Gunpowder, Ningpo	,,	7
Brassware	,,	14
Feathers	,,	268
Soapstone Ornament	,,	16
To Houston.		
Hair, Human	,,	124
To Philadelphia.		
Hair, Human	,,	29
To New York.		
Silk, Raw, Steam Filature:		
White, S'hai, Bls. 120	Pls.	119.40
,, other Ports ,, 560	,,	448.07
Yellow, S'hai ,, 30	,,	30.07
Yellow, H'kow Bls. 67	,,	66.78
Silk Waste:		
Shanghai Bls. 3	Pls.	11.80
Other Ports.. ,, 40	,,	137.73
Silk Piece Goods	,,	7.87
,, Pongees, Honan.	,,	20.45
,, ,, Shantung	,,	4.39
Intestines, Pigs', Salted	,,	9
Skins, Goat, Untanned	Pcs.	568
,, Marmot	,,	10,000
,, Squirrel	,,	10,000
,, Weasel	,,	7,400

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—The market since the issue of our last report has evinced on the whole a steady upward tendency, in that prices advanced Tls. 0.75 per picul, although the business actually consummated was not of any very great dimensions warranting any such rise, however, the strength evinced was due mainly to the covering of short commitments in the local Exchange. Mid-Americans and Indians continued fluctuatively in a steady direction during the week under review, but it hardly affected the local market either one way or the other.

The Mills, for the time being, are apparently fairly well supplied and no sooner further improvement evolves in the Yarn situation there is no doubt that more activity will be engendered in the consumption of the local staple, in which event the indications would incline more to the policy of taking advantage of every break that may present itself as a precautionary measure against any sharp upward movement that may ensue.

Yarn:—Nothing bearish has come to light since our last report was issued. Our market during the interval continued steady to firm with a feeling of assurance that no weakness is likely to develop in this direction for some time to come. In all some 15000 to 16000 bales of various counts and chops of local products have changed hands between dealers for export.

Liverpool:—

American-Middling 10 01
,, -Middling last reported.... 10 16
Tone of market, *Steady.*

Indian Market:—

Fully Good Bengal, May 264
Fine Oomra May.....323
Fully Good Broach, Apr./May..352
Tone of the market:—*Steady.*

New York Market:—

Price of Mid-American. 19.35 Spot.
18.85 May.
18.37 July.
17.72 Oct.
17.40 Dec.
17.32 Jan.

Tone of the market:—*Steady.*

Shanghai Market:—

Tungchow, spot ex wharf	Tls.	33.00
Shanghai, Spot	,,	32.50
M. Ginned, Spot	,,	33.00
Shensi, No. 1 Spot	,,	32.50
Ningpo, Spot	,,	30.50

Tone of the market:—*Steady.*

WHO'S WHO
Among *Review* Advertisers

PAGE

Admiral Oriental Line 123
Operators of the American Oriental Mail Line, freight and passenger Pacific service.

Business Equipment Corporation.....154
Office Supplies and Equipment.

British-American Tobacco Company II
Manufacturers and distributors of Cigarettes and Tobacco.

Chinese Cotton Goods Exchange, Ltd. 150
Dealers in cotton goods—spot and forward.

Chinese-American Bank of Commerce 148
Domestic and international banking service.

Chicago, Milwaukee and St. Paul Railway 150
Continental railway (electrified.)

Dollar Line..... IV
Round-the-World passenger and freight service.

Ford Motor Car Company.....143
Manufacturers of the Improved Ford Car.

Great Northern Railway 151
Trans-continental railway, The Oriental Limited.

International Banking Corp.....146
International Banking Service.

Koppel Industrial Car and Equipment Company.....156
Railway equipment manufacturers.

Liggett and Meyers Tobacco Company.....145
Manufacturers and distributors of cigarettes and tobacco.

Northern Pacific Railway 147
Coast-to-Chicago Passenger and Freight Service.

Parker Pen Company 141
Manufacturers of the famous Parker Duofold fountain pen.

Peitaiho Agency 152
Rentals and sales agents.

Port of Seattle 148
Commercial port of the Pacific Northwest.

Practical Peace Plan 152
Prize Essay in *The China Weekly Review* contest.

United States Court for China 154
Court notices.

United States Steel Products Company.....Back Cover
Manufacturers and distributors and steel and steel products.

Standard Oil Company of New York III
Socony-Petroleum Products—Branches all over the world.

Who's Who In China VII
Biographies of Chinese.

Trade Mark Page.....153

Universal Winding Co.	The China Jade Co.
The Lion Silk Store	Westinghouse Elec. Int'l. Co.
The China Jade Co.	The Commercial Press, Ltd.
Continental Construction Co.	O. I. C.
Alexander Shoe.	"Chung Hwa Studio"
Gande, Price Ltd.	Watson's Co.

WHEN WRITING TO THESE ADVERTISERS KINDLY MENTION THE CHINA WEEKLY REVIEW

In the United States Court for China

ALEXANDRA K. MITZELFELT, Plaintiff,

vs

LOUIS H. MITZELFELT. Defendant.

Cause No. 2754

Civil No. 1098

SUMMONS

The President of the United States of America

To the United States Marshal for China and his Deputies—

GREETING :

You are hereby commanded to serve this Summons and a copy of the petition in the above entitled action upon the defendant

Louis H. Mitzelfelt,

and to notify him to be and appear before this Court on or before the sixtieth day after service hereof to file his written answer on oath.

(SEAL) WITNESS the HONORABLE MILTON D. PURDY, Judge of the United States Court for China, at Shanghai, China, April 6, 1926.

L. T. KENAKE
Assistant Clerk.

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

Consistent Advertising—

is an economy and cuts the cost of selling, making lower prices or better services possible without sacrifice of seller's profits.

THE

CHINA WEEKLY REVIEW

can carry your message to China's most influencial class of people at a moderate cost.

Let us help you solve your publicity problems in a consistent manner.